

FREEDOM IN THE WORKPLACE-AN EXAMINATION OF A NATIONAL RIGHT TO WORK LAW

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BEFORE THE
SUBCOMMITTEE ON WORKFORCE, EMPOWERMENT
& GOVERNMENT PROGRAMS

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THURSDAY, SEPTEMBER 8, 2005

HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON WORKFORCE, EMPOWERMENT AND
GOVERNMENT PROGRAMS
COMMITTEE ON SMALL BUSINESS
Washington, DC

The Subcommittee met, pursuant to call, at 10:04 a.m. in Room 2360, Rayburn House Office Building, Hon. Marilyn Musgrave [Chairman] presiding.

Present: Representatives Musgrave, Lipinski, Sodrel, Udall, Westmoreland

Chairwoman MUSGRAVE. Good morning. This hearing will come to order. I thank you all for being here, and I would like to extend a special thank you to our witnesses, especially those who have traveled long distances. The topic we are going to talk about today is the establishment of a national right-to-work law.

I am very pleased that we have Congressman Joe Wilson here. I consider him a friend, a wonderful colleague to have, and I am a co-sponsor of your legislation, and I thank you for being here. We also have an excellent panel before us of policy experts, authors, and individual workers, and all of you have extensive experience, and we are looking forward to your testimony today.

I want to be brief in my remarks because I am very eager to hear the testimony, and I also just want to say up front that I am a very enthusiastic supporter of the National Right To Work Act. While this is certainly a labor issue, I think that it is also a constitutional issue.

The First Amendment of the Constitution guarantees American citizens the freedom of association, and that freedom must extend to the workplace. If one does not wish to join an organization, such as a labor union, the federal government should not force you to do so under the threat of losing your job. Yet due to a fatal flaw in the National Labor Relations Act, many workers are prevented from getting a job unless they agree to pay union dues. This is fundamentally wrong.

Forcing someone to join a union as a condition of employment is a very real and unfair burden on working families, many who might disagree, or often do disagree, with the views of labor leaders.

I really believe that adopting a national right-to-work law will strengthen our economy. A free and open market is the key to productivity, growth, and stability in our nation's economy, which works best when individuals have the freedom to choose from a wide array of products and services. I sincerely believe these principles have made our economy the strongest in the world.

This belief must also apply to the workforce. It is at its best when individuals are free to make informed choices about the conditions of their employment. I find it ironic that just earlier this year, several of the unions under the umbrella of the American Federation of Labor, Congress of Industrial Organizations, decided that its leaders were not representing their interests sufficiently, so they did what individual workers are not allowed to do: They disassociated themselves with the AFL-CIO to represent themselves.

Why is it that unions are allowed to disassociate themselves from each other, but when an individual worker wants to leave a union, he should face termination? It is a double standard that we can correct. Enacting H.R. 500, sponsored by my friend and colleague, Representative Joe Wilson, will do just that. The companion legislation in the Senate, S.370, has been introduced by Senator Trent Lott.

I thank you all for being here today as we look at this very important issue, and I would like to yield to the distinguished Ranking Member, Mr. Lipinski, for any opening statement that he might have.

[Chairwoman Musgrave's opening statement may be found in the appendix.]

Mr. LIPINSKI. Thank you, Madam Chairman. I think we all agree that we need to do more than improve the competitiveness of America's small businesses in the poor economic climate that we have, but it is wrong to suggest that organized workers are responsible for the problems faced by our small businesses and for our faltering economy.

We should not be looking for an undeserving scapegoat to blame for our economic problems. We should not try to weaken the rights of workers to organize under the National Labor Relations Act. Unions are not responsible for skyrocketing gas costs or the rising cost of the health insurance. They are not responsible for the burdensome federal regulations that continue to increase on our nation's small businesses, and they are also not to blame for China's trade and currency policies. Instead, unions contribute to the well-being of American workers.

Last night, I attended a dinner of the National Electrical Contractors Association, [NECA], where they gave an award to the chairman of the full Committee, Don Manzullo. Don was here earlier, but unfortunately he is not here anymore. I attended this dinner of NECA and honored Don, but NECA members who talked to me about how good their relationship is with the union that they deal with, the IBEW, and I know this is a unique situation, but I think it is a good example, and we should learn from this about how much better off everyone could be made when there is cooperation between management and unions. Everyone can be much better off.

But today, we will hear from a number of witnesses who will claim there are laws in effect in favor of unions, employees are being forced to join unions, and this is causing problems. You will hear terms like “freedom of association” and “compulsive unionism.” The reality is that no one can be forced to join a union against their will. A union cannot take action against those who decide not to join their union. In fact, a union has a legal duty to represent every employee, whether or not they are a member of the union. Since unions must represent everyone, not only in collective bargaining for better wages and benefits, but also in any grievance the worker is involved in, nonunion employees must pay agency fees, not union dues, to the unions for services they provide. These are not union dues; no one is forced to join the union.

You will hear testimony today how states with right-to-work laws create a better business environment. However, statistics show that prebargaining states have a proven record of lower poverty rates, higher wages, lower rates of workplace fatalities, and better health care benefits as compared to so-called “right-to-work states.” In fact, one might say that the latter group of states should be known as “right-to-work-for-less states.”

Employers are better off without these laws. At the same time, there is no evidence that these advantages are inconsistent with a strong business environment. If anything, they are an indication of a vibrant business climate. I find it hard to believe that the governors and the state legislatures of free-bargaining states would not want the best business environment. Strangely enough, when we talk so much in Washington about states’ rights, what this bill would do would go against that standard by depriving states the right to determine how businesses operate. Right now, states do have the right to be so-called “right-to-work states.”

Our common goal on this Committee is to improve the economic environment for small businesses so we can create better jobs for Americans. Unfortunately, a failure to address critical small business issues has hurt the ability of our small businesses to grow and create jobs. We all want to work together. We all want to work together to help small businesses, Democrats and Republicans. It is best that we do all work together.

Now, in closing, we have to note that we need to work right now to ensure that we do everything we can to help the victims of Hurricane Katrina, whether it is through SBA loans, technical assistance, or other means. There are Small Business Administration programs that can be used to help the thousands of small business owners who will be struggling to get back on their feet, and this is something that I know we all agree on and we are all going to work together on.

I look forward to today’s discussion and testimony, and I thank the chairwoman.

Chairwoman MUSGRAVE. At this time, I would like to welcome Congressman Joe Wilson. Thank you for being here with us today, and, of course, he is the bill sponsor.

**STATEMENT OF HON. JOE WILSON (SC-2), U.S. HOUSE OF
REPRESENTATIVES, U.S. CONGRESS**

Mr. WILSON. Madam Chairman, colleagues from Illinois and Indiana, I want to thank you for the opportunity to testify today. I appreciate the Subcommittee's interest in the issue of compulsory unionism. Madam Chairman, I particularly appreciate your personal courage to articulate the issue. It means a lot, and they are very positive, the statements that you have made.

I believe that compulsory unionism violates the fundamental principle of individual liberty, the very principle upon which this nation was founded. Compulsive unionism basically says that workers cannot and should not decide for themselves what is in their best interests. I can think of nothing more offensive to the core American principles of liberty and freedom.

The National Right To Work Act [H.R. 500], which has 90 co-sponsors, will address this most fundamental problem of federal labor policy. Does America believe that working men and women should be forced, as a condition of employment, to pay dues or fees to a labor union? I believe that no one should be forced to pay union dues to get or keep a job.

This bill would not add a single word to the existing federal labor law. Rather, it would repeal those sections of the National Labor Relations Act and Railway Labor Act that authorize the imposition of forced-dues contracts on working Americans.

Every worker should have the right to join or support a labor union. This bill protects that right. But no worker should be ever forced to join a union. H.R. 500 will strike that balance, and the vast majority of Americans agree.

According to a March 2004 poll by Research 2000, 79 percent of Americans support Right To Work, and over 50 percent of union households believe workers should have the right to choose whether or not to join or pay dues to a labor union. That should come as no surprise. People want the freedom to decide what is in their best interests, and Right To Work expands every working American's personal freedom.

Of course, compulsory unionism is not just a freedom issue. Right To Work brings economic benefits as well. I am happy to say that my own state, South Carolina, is one of the 22 states that has a right-to-work statute, and this has been in place since 1954. Over the past decade, right-to-work states have held a significant advantage in job creation, employer-provided health insurance, and real purchasing power over their compulsory unionism counterparts.

According to University of Colorado economist Barry Poulson, after adjusting for cost of living, household income in right-to-work state metropolitan areas in 2002 was \$50,571, nearly \$4,300 higher than the average in forced-union-dues state metropolitan areas. But the sad fact is, even though South Carolinians have enjoyed the protection of a state right-to-work law for decades, it is simply not enough. Railroad workers and those employed in federal enclaves are exempt from a right-to-work law's protection and must pay union dues or fees or be fired.

Madam Chairman, that is why it is time for Congress to act and return to all American workers their rights as citizens of this country.

In 1935, Congress chose to enact legislation that forces American workers to accept Big Labor's so-called "representation" just to get or keep a job. It is now our responsibility to end compulsory unionism once and for all. Passage of H.R. 500, the National Right To Work Act, would not only give individual freedom back to America's working men and women but would help our nation's economic output as well. That is why I urge my colleagues to support this legislation which expands the freedom of hard-working Americans and gives them the freedom to choose whether to accept or reject union representation and union dues without facing coercion, violence, and workplace harassment by union officials.

Madam Chairman, thank you and my colleagues for this opportunity to testify.

[Congressman Wilson's testimony may be found in the appendix.]

Chairwoman MUSGRAVE. We appreciate you being here today, and I know that you have other commitments, so we thank you very much. Stay as long as you can, or do what you need to do, and thank you, Congressman.

Mr. WILSON. I have got a pesky staff that is asking me to go to the next meeting.

Chairwoman MUSGRAVE. I sensed that. Thank you very much.

Mr. WILSON. Thank you very much.

Mr. LIPINSKI. We may not agree on this, but I thank Representative Wilson for coming to testify today.

Mr. WILSON. Thank you so much.

Chairwoman MUSGRAVE. I will call our next panel at this time. Gentlemen, we have a five-minute limit on testimony, and so if you can, pay attention to the lights. When you get to the yellow light, it is getting time for you to sum up, if you would. So I will try to keep you on schedule out of respect to all of you.

[Pause.]

Chairwoman MUSGRAVE. Our first witness is Mark Mix. He is the president of the National Right To Work Committee. Mr. Mix, welcome.

STATEMENT OF MARK MIX, NATIONAL RIGHT TO WORK COMMITTEE

Mr. MIX. Thank you, Madam Chairman, and thank you for the opportunity to speak in front of this Committee. Having been here before and been silenced by your gavel, I will stay within my time constraints.

Chairwoman MUSGRAVE. Flattery will get you nowhere. Well, actually it will, yes.

Mr. MIX. It is a privilege to be here to testify on behalf of the National Right To Work Act, H.R. 500. It is important that we understand what we are talking about here. The change in the National Labor Relations Act that is being contemplated by this legislation does nothing to restrict workers' rights to join or associate with unions. We need to get that out up front.

It is a very simple piece of legislation. As Congressman Wilson stated, it does not add a single word to federal law. It simply repeals those provisions that authorize the firing of a worker for failure to pay fees to a union as a condition of employment.

As Congressman Wilson said, America was established as a free society, and all working men and women should be guaranteed the right to decide for themselves whether a union deserves their financial support. That right is guaranteed in the American Constitution, and legislative attempts to deny it must be nullified. That is what H.R. 500 would do.

Because of its complexity, our federal labor law is not understood by most Americans, but the issue of right to work could not really be any simpler. Every worker must have the right, but no one should be compelled to join or financially pay dues to a labor organization as a condition of getting or keeping a job.

The National Labor Relations Act abuses the freedom of working people to earn an honest living for themselves and their families. Under this so-called "Magna Carta" of workers' rights, employees who never requested a union, never voted for one, never asked for one, are then forced to accept its representation and then, to add insult to injury, forced to pay for that unwanted representation.

The National Labor Relations Act is often perceived as the greater charter of freedom. That was not entirely unintentional by its drafters. In fact, it contains some of the most deliberately misleading language human beings could devise.

Let me read just the essential portion of Section 7, the preamble of the Wagner Act under "Rights of Employees." It says: "Employees shall have the right to self-organization to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, and shall also have the right to refrain from any or all such activities...."

Now, what could be fairer than that: the right to, the right not to, the right to refrain? But let me finish the sentence that I just read. It says: "Employees shall have the right to refrain except to the extent that such right may be affected by an agreement requiring union membership as a condition of employment...."

Now, union membership, actual union membership, has been struck down by the courts. We are now at a point where they are required to join and be a "member in good standing" and can be forced to pay up to 100 percent in dues. So we do not contest the fact that no one is required to join a union; we are contesting the fact that they may be required to pay 100 percent of the dues to keep their job, and we would see very little difference.

The National Right To Work Act legislation that has been introduced by Congressman Wilson would end this cynicism by simply repealing those provisions in the act. Even the most avid promoters of compulsory unionism are forced to defend compulsory unionism on the basis of pragmatism and not principle.

No less of an authority than former Secretary of Labor Robert Reich put this most succinctly. As a Harvard lecturer in 1985, Mr. Reich gave the following explanation of federal labor law to an Associated Press reporter, and I quote his exact words. He said, "In order to maintain themselves, unions have got to have some ability to strap their members to the mast." Continuing the quote: "The only way unions can exercise countervailing power is to hold their

members' feet to the fire ... otherwise, the organization is only as good as it is convenient for any given member at any given time."

Former Secretary Reich has accurately, if callously, described the basic principles of federal labor law, that the convenience of union officials, i.e., the union security clause, must take precedent over the freedom of employees who wish to earn a living for themselves and their families.

Indeed, it is high time that we go directly to the heart of the matter. Are the merits or demerits of congressional-sanctioned compulsory unionism; freedom or coercion? This is a real issue: Should union membership be voluntary or compulsory? The underlying philosophy of those who believe in the right-to-work principle can be best summed up in the words of Samuel Gompers, the founder of the American Federation of Labor, who urged, "a devotion to the fundamentals of human liberty—the principles of volunteerism. No lasting gain has ever come from compulsion. If we seek to force, we but tear apart that which, united, is invincible." That is Samuel Gompers, the former president of the AFL.

The most perceptive observers, both inside and outside organized labor, have long recognized that compulsory membership in unions is not necessarily beneficial to rank-and-file workers but beneficial to union officials themselves. The National Right To Work Act, as I have said, would not add one word to federal law. I would simply repeal the provisions authorizing compulsory payment of dues as a condition of job employment.

I thank the chairman again for the opportunity to testify, and I think I will yield my 12 seconds back.

[Mr. Mix's testimony may be found in the appendix.]

Chairwoman MUSGRAVE. Our next witness is Dr. Charles Baird, professor of economics, California State University, East Bay. Welcome.

STATEMENT OF CHARLES BAIRD, CALIFORNIA STATE UNIVERSITY, EAST BAY

Mr. BAIRD. Thank you. Chairman Musgrave and Ranking Member Lipinski and members of the Subcommittee, thank you for the invitation to testify on the national right-to-work bill, and I am doing so on my own behalf.

Chairwoman MUSGRAVE. Dr. Baird, could you move the mike a little closer? Thank you so much. It will help us to hear you.

Mr. BAIRD. The argument that it is proper to force workers who are represented by a union to pay the union for its services lest some would become free riders is, in a word, absurd. Economists define a "free rider" as one who receives net benefits from a collective action and can avoid paying for them due to the inherent non-excludability of some goods. There is nothing inherent in any employment relationship that gives rise to a free rider problem. Congress created the free rider problem in labor relations when it enacted the principle of exclusive representation into law in 1935.

Under the National Labor Relations Act, a union cannot bargain just for its voluntary members. It must bargain for all workers in the bargaining unit. Individual workers are even forbidden to represent themselves. If the union represented only its voluntary members, only they would receive any benefits that emerged from

that representation. Other workers could choose individually to be represented by some other organization, or they could choose to represent themselves.

Put another way, if unions want to eliminate the possibility of any worker being a free rider, they should join with me and advocate repeal of exclusive representation. Without exclusive representation, there would be no need for a National Right To Work Act because the question of union security would be moot. The argument that exclusive representation is justifiable as workplace democracy is vacuous, as I explain in my written testimony, but I do not have time here to state.

Given exclusive representation, the unions' free rider argument amounts to saying that since Congress has agreed to override individual workers' freedom of association and choice of workplace representatives, Congress must also override individual workers' freedom of association in deciding whether or not to support a particular workplace representative. Opponents of right to work argue that one violation of freedom of association compels another violation of freedom of association.

I argue that given the first trespass against freedom of association, which is exclusive representation, a National Right To Work Act is necessary to prevent the second trespass.

Many argue that exclusive representation is a fact of life which we all must accept. Therefore, forcing workers to support unions is necessary to prevent free riding. However, it can never be proven that any worker free rides on any collective bargaining agreement. A forced rider is one who suffers net harms from some collective action who is compelled to pay for them. Even if one grants that unions can raise the wages and salaries that are paid to some workers, it does not follow that even those workers, on a net basis, gain from union actions. Costs and benefits are inherently subjective.

Suppose a worker gets a \$10 increase due to a union's activities. No third party can prove that the \$10 increase benefits that worker either more than, less than, or the same as the cost that is imposed on that worker by, for example, the disutility the worker suffers from being forced to associate with the union. Any worker accused by a union of being a free rider can argue with just as much rigor that he or she is a forced rider. It is a conceit to argue that Congress or any other third party can make that determination for any worker.

The argument that a National Right To Work Act would be a trespass against the rights of states to choose their own union security regulations is both disingenuous and silly. It is disingenuous because those who make it are exactly the same as those who advocate repeal of Section 14[b] of the National Labor Relations Act which permits states to have right-to-work laws in the first place. It is silly because the only reason that states have to concern themselves with a right-to-work question at all is because Congress imposed the National Labor Relations Act on all states.

Congress trespassed against worker rights with the National Labor Relations Act, and Congress surely has the right to make amends, even the partial amends offered in the nation right-to-

work bill. For these and other reasons, I wholeheartedly endorse H.R. 500 and recommend its speedy enactment. Thank you.

[Mr. Baird's testimony may be found in the appendix.]

Chairwoman MUSGRAVE. Thank you, Dr. Baird.

Our next witness is Fred Feinstein, and he is a professor at the University of Maryland. Welcome.

STATEMENT OF FRED FEINSTEIN, UNIVERSITY OF MARYLAND

Mr. FEINSTEIN. Thank you. My name is Fred Feinstein, and I am very pleased to be appearing before this distinguished Subcommittee today. In addition to currently serving at the University of Maryland, School of Public Policy, from 1994 to 1999, I served as general counsel of the National Labor Relations Board.

The basic law on union security agreements, I believe, is clear and has been in effect since enactment of the Taft-Hartley law more than 50 years ago. Federal law prohibits compulsory unionism. No individual can be forced, as a condition of employment, to join a union. This is well established and does not require further legislation. The only question raised by this legislation is whether it is sound federal policy to place additional limitations on the ability of employers and unions to negotiate voluntary arguments about how a union can be compensated for services it is, as many have indicated, required under federal law to provide.

The law is also clear, again, as has been suggested, that unions do not have the option of declining to represent employees who do not wish to pay for union services. Under the law, a certified union must provide fair representation to all employees in a bargaining unit, regardless of their views about the union. Now, we can disagree about this provision of the laws,—the previous speaker has—but it is the law. Once it is certified that a majority of employees seek union representation, the union must fairly and evenhandedly represent each employee, whether or not an employee supports the union and whether or not the employee is, indeed, a union member. The union must represent each employee with the same degree of diligence, which is not a trivial obligation.

Regardless of the obligation to represent all employees with equal diligence, under current law, Section 14[b] of the National Labor Relations Act restricts the freedom of employers and unions to enter into a contract requiring employees to contribute to the cost of representation expenses.

The bill being considered today would impose this restriction on the 28 states that have chosen not to adopt these provisions, the so-called "right-to-work laws." It would establish a national prohibition on the ability of employers and unions to voluntarily negotiate agreements requiring employees covered by that agreement to compensate a union for reasonable representation expenses. Union security agreements would be prohibited not just in the 22 states but nationwide.

This further restriction on the ability of unions to charge for representation services would, in my view, undermine the ability of unions to improve the working conditions of those they represent. There is significant evidence that the benefits of union representation are, indeed, substantial, and these benefits are available equally to all workers covered under a union contract, whether or

not they are union members. For example, according to BLS, wages of workers covered by union contracts are 28 percent higher than wages of workers that do not have union contracts.

It is also important to note that under federal law today, again, as has been suggested, the fee that a union can charge all employees includes only actual representation expenses. This includes expenses for such things as grievance and arbitration representation or the negotiation of collective agreements. It cannot include expenses for activities that are not representational in nature, such as expenses to support political candidates or activities to promote legislation, and unions are, indeed, required to maintain extensive records apportioning all of the resources that they expend.

But I think, finally, it is important to view this legislation in the broader context of concerns about labor law today. Passage of this bill would add to the burdens, I believe, that workers already endure when they seek to form unions and bargain collectively. According to Human Rights Watch, workers in the United States today routinely face significant obstacles when they try to form a union, even though it is their fundamental right to do so. The National Labor Relations Act explicitly guarantees a worker's right to form a union and bargain collectively, but in far too many instances today, attempts by workers to gain union representation are met with intense employer opposition that lead employees, quite understandably, to conclude that they lack a meaningful right to union representation.

According to reputable sources, approximately 50 percent of workers today say they would join a union if they had the chance, yet only approximately one-quarter of that number is actually represented by unions. I suggest that this representation gap is our most serious problem in terms of examining federal labor policy.

In conclusion, then, I believe the right of employees to decline union membership is adequately protected under existing law, and a more pressing concern not addressed by the legislation under review is protecting the rights of employees who seek union representation.

Madam Chairman, again, I appreciate the opportunity to appear today.

[Mr. Feinstein's testimony may be found in the appendix.]

Chairwoman MUSGRAVE. Thank you, Mr. Feinstein, and at this time, I will recognize George Galley, and he is an electro-mechanical technician from Colt Manufacturing. Welcome to the Committee today.

STATEMENT OF GEORGE GALLEY, COLT MANUFACTURING

Mr. GALLEY. Good morning, Madam Chairman and members of the Subcommittee. Thank you for the opportunity to testify before you today to share with you my personal experiences with the issue of forced unionism and to explain why I hope Congress will pass a national right-to-work law.

Chairwoman MUSGRAVE. Mr. Galley, would you pull the microphone just a little closer? Thank you so much.

Mr. GALLEY. I am employed as an electrician for Colt Manufacturing Company in Hartford, Connecticut, where I have worked for 44 years. As you know, Connecticut does not have a right-to-work

law to protect Constitution State citizens. Workers like myself pay the price.

From 1961 until 1985, I was a member of the United Auto Workers of America Union, [UAW], the union that represents workers at Colt. In 1985, the UAW called a strike against Colt. I followed the strike orders for one month and two days. After this time, I decided that I needed to get back to work in order to provide for my family. I believe there is no question I made the right decision. Had I not decided to get back to work, I would have been on strike for approximately four years with the rest of the UAW members.

At the conclusion of the strike, Colt rehired all striking employees. It was during this period when Colt handed out cards, which they asked each employee to sign, the cards authorizing the company to automatically deduct union dues. Because I was aware, unlike many of the employees at Colt, that there was an alternative to paying full union dues, I refused to sign the card and requested information about any other options available to me.

Despite my refusal to sign the union card, Colt kept deducting full union dues from my paycheck. The situation persisted for some time, and on more than one occasion, I demanded information on my alternatives from Colt. Despite my requests, I was never informed of my Beck rights and never received any response other than I had to sign the union dues authorization card.

Eventually, Colt stopped taking union dues from my paycheck because I had continually refused to sign the union dues authorization card. I was fired later that year.

After my termination, I filed a charge with the National Labor Relations Board. After considerable delay, the regional director issued a complaint. I was reinstated to my employment at that time but was not reimbursed for the pay that I had lost. My case was grouped with several other charges filed nationwide. Rather than being heard by an administrative law judge, the case went to the NLRB on motions for summary judgment. However, once briefing was completed, the case languished for nearly seven years. Ultimately, the board ruled, but only after my attorney filed a petition for a writ of mandamus with the D.C. Circuit Court seeking to force the board to rule. However, I lost my case when the board finally made its decision. Later, I appealed my case to the D.C. Circuit Court and received a new trial in Hartford, Connecticut, which I won.

I am now back on the job as a Beck objector, which supposedly grants me the right to withhold the portion of my union dues that would go to activities unrelated to collective bargaining. I am still forced to pay 72 percent union dues as a "fee" to the UAW in order to keep my job. Every month, under the threat of being terminated yet again, I am forced to write a check to the UAW brass for the so-called "privilege" of working at Colt.

Unfortunately, my experiences with the UAW have made me realize that once a worker becomes a Beck objector, that worker has no control over anything, even with the payment of union dues, or so-called "fees," that are demanded by union officials. I have found that if a worker does not march in lockstep with the union dogma, that worker's concerns are not taken into account.

Federal labor law continues to force me to fund an organization that purports to provide services—services that I do not want. Worse yet, despite the fact that I pay what they call my “fair share,” I am given no voice in how my money is spent.

What I want is simple: I want nothing to do with the union. That is why I am urging Congress to pass the National Right To Work Act.

As I stated before, I have worked for Colt for 44 years. I am proud of the work I do and enjoy working for the company. I resent very much the fact that I can be fired for refusing to support an outside, private organization. I do not believe that any American should be forced to pay a private organization just to hold a job and provide for his family.

Passage of the National Right To Work Act would give me the freedom to do my job without the threat of being fired for the refusal to pay union dues and decide for myself whether or not a union deserves my support. I believe that decision is mine.

Union officials claim that they provide a service to workers, but it should be up to individual workers whether or not they want that service. Union officials are also very political, so no worker should be forced to fund an organization with beliefs contrary to his or her own.

[Mr. Galley’s testimony may be found in the appendix.]

Chairwoman MUSGRAVE. Thank you very much, Mr. Galley. I appreciate your testimony.

We now have Michael Butcher here. He is an engineer with Boeing. Welcome to the Committee.

STATEMENT OF MICHAEL BUTCHER, BOEING COMMERCIAL AIRPLANE GROUP

Mr. BUTCHER. Thank you, Chairwoman Musgrave and members of the Subcommittee. Thank you very much for the opportunity to share with you today my personal experience as a professional employee with the federally approved practice of forced unionism.

As one of millions of Americans that has been forced to pay union dues, or so-called “agency fees,” as a condition of employment, many of us against our will, I can tell you it has been my hope for some time that Congress would work to pass the National Right To Work Act.

Let me briefly introduce myself. I am an engineer employed by the Boeing Company in Washington State where I have been continuously employed since shortly after receiving a bachelor of science in aeronautical and astronomical engineering from Purdue University in 1986.

When I joined Boeing, union membership was completely voluntary. That all changed in August of 2000, which was shortly after the Society of Professional Engineering Employees in Aerospace [SPEEA] union became an affiliate of the AFL-CIO. The first thing the AFL-CIO did was send Richard Trumka out to personally take over contract negotiations with SPEEA. I know, based on a personal conversation I had with the director of union relations at Boeing, that Trumka’s number-one demand was that Boeing require every professional employee to pay union dues, or so-called “agency fees,” as a condition of employment. He made it clear to

Boeing management that no contract without agency fees would be acceptable, no matter how good the offered wages and benefits were.

From this point on, in order to receive a paycheck every other week, I was forced to pay dues just for the so-called “privilege” of trying to earn a living. I was not unique either because almost 6,000 of my fellow co-workers who had historical not been SPEEA members were also forced to pay union dues. Regardless of whether or not I thought the union membership benefitted me, regardless of whether or not I agreed with the union’s policies, I was forced to pay union dues, or I would have been fired. In fact, several engineers at Boeing, including a friend of mine, had their employment terminated by union request because they refused to pay union dues. I think this is just plain wrong, and that is why I am here today.

Like many engineers at Boeing, I was recruited from out of state, and I did not know there was an engineering union until my first day on the job. As a professional employee, it was never my expectation to be part of a union; therefore, I consistently declined the union membership. Nothing has happened during my career to change my initial impression concerning the so-called “benefits” of union membership. In fact, it has been my experience that the union has only been a detriment to my career, and the services they claim to provide are of absolutely no value to me. Furthermore, I find the nonrepresentational activities of the union and its AFL-CIO affiliates to be inconsistent with my beliefs and values. I, therefore, have no interest in funding those activities.

It is true that under the U.S. Supreme Court Communications Workers v. Beck decision, union officials cannot force me to pay for politics or other activities unrelated to collective bargaining. My person experience, however, is that this protection is next to useless. You see, as a Boeing employee, I learned that Beck is rarely enforced; therefore, SPEEA had little incentive to abide by the law. When given the opportunity to force myself and thousands of my co-workers to pay full union dues, SPEEA failed to comply with its obligations under Beck. In the case of SPEEA, I had to file two complaints with the National Labor Relations Board, and it took two years of legal process before SPEEA was forced to minimally comply with Beck.

Initially, the union attempted to discourage potential Beck objectors by unlawfully notifying myself and others that Beck objections were subject to approval by the union and that an objector would have to state your reasons for objecting. Furthermore, they told us that they we would not be provided any services of the union, including answers to simple things like contract questions.

As a Beck objector, I was also forced to go through a frustrating scheme that discouraged me from challenging the union’s expenditures, including repeatedly giving me a breakdown of union expenses that was not performed by an independent audit, as the law requires.

Despite continued and repeated violations of SPEEA’s obligations under Beck, the union received only a minor slap on the wrist from the NLRB, which led me to conclude that enforcement penalties for unions caught cheating on Beck are negligible.

I have also found that even if unions have a lawful and “legitimate” audit performed by an outside organization, the audit basically just ensures that all of the union’s expenses are accounted for. An auditor relies on the union to determine which expenses are chargeable, and the bulk of that is based on union timesheets which employees fill out which are not audited at all. Therefore, the union can set the fee at virtually any value they want.

Three years ago, I gave up on the Beck process and became a religious objector. Since then, SPEEA has tried to have me fired twice. Again, I am not unique, since personally I know several other religious objectors that the union has tried to have fired as well.

I have come to the conclusion over the last five years that the current system is inherently corrupt because basically the federal government has empowered the people who run the unions to legally extort money from the workers of America. That is right. The so-called union “agency fee” is widely referred to in my office by the people I work with as the “union extortion fee.” Even many of my co-workers who supported the union when union membership was voluntary describe the union agency fee as a mistake because they have seen how it has corrupted the union and made it much less responsive to their needs.

The simple American freedom to choose who you want to associate with is such a fundamental right, whether it be a church, charity, or club, that there is absolutely no excuse that this same right should not exist when it applies to individual workers deciding whether or not to support or associate with a union. Unfortunately, federal labor law assumes that people like me are incapable of making that choice.

[Mr. Butcher’s testimony may be found in the appendix.]

Chairwoman MUSGRAVE. Thank you very much, Mr. Butcher. I appreciate your testimony.

Our next witness is John McNicholas, and he is the CEO at Penloyd. Welcome to the Committee.

STATEMENT OF JOHN McNICHOLAS, PENLOYD, LLC

Mr. McNICHOLAS. Thank you. Madam Chairman and members of the Subcommittee, I appreciate very much the opportunity to testify before you in favor of H.R. 500, the National Right To Work Act.

There is no doubt in my mind that this legislation is important. I agree with the statement, no worker should be forced to pay union dues, or so-called “fees,” to a labor union just to get or keep a job. That is why it is my hope that Congress will work to pass H.R. 500.

I believe that Right To Work is good for employers and employees alike, and I believe my experience as CEO of Penloyd supports this viewpoint in a very tangible fashion. If Oklahoma was not a right-to-work state, I might not be testifying before you today as CEO of Penloyd.

In 2003, I became aware that Oklahoma Fixture Company in Tulsa, Oklahoma, had filed for Chapter 11 bankruptcy. The company employed workers represented by the carpenters union and the painters union. I joined the team and considered investing in

the turnaround opportunity. After an extreme due-diligence process, our team decided we could become profitable again with good management decisions and some structural changes. But before we make an investment, we assess risk factors that could lead to failure. We identified a risk that our workforce would not be willing to adapt quickly to changes required to survive international competition because they were union members. I do not believe we would have accepted that risk if Oklahoma was not a right-to-work state.

On June 25, 2003, our team purchased the assets of Oklahoma Fixture Company and created a new company, Penloyd, LLC. Penloyd immediately hired most of the existing employees of Oklahoma Fixture Company.

Since the purchase of the assets of the Oklahoma Fixture Company, Penloyd has grown from approximately 250 employees to 500 employees. Several months after our acquisition, a very important event for the company's future success, our employees chose to decertify the existing unions in a free and fair election at their workplace.

Penloyd specializes in retail fixture manufacturing. We design, produce, warehouse, and ship products to retail stores throughout the United States. Some of our well-known clients include Dillard's Department Store, Federated Department Stores, and Eddie Bauer.

I can tell you that Penloyd is looking for additional opportunities to rehabilitate and develop existing manufacturing businesses. If we are successful in this effort, we will create more jobs for the American economy.

So at a time when many right-to-work states are losing manufacturing jobs, Penloyd is seeking to create new American manufacturing jobs. There is no doubt that taking on a business that has previously struggled is no easy task, and this is also well known to our lenders and our customers.

In acquiring the assets of Oklahoma Fixture Company, we needed to have as many positive factors going for us as we could before committing capital. One of those positive factors was that Oklahoma was a right-to-work state. If we had faced union officials who were militant and confrontational, championing arcane work rules, and decreasing management's decision-making flexibility, we could not have been successful in saving the business and creating about 250 new jobs.

I believe the ability of union officials to force rank-and-file workers to pay union dues, or so-called "fees," in non-right-to-work states sometimes leads to this militancy, support of arcane work rules, and unnecessary confrontation with management. It is certainly reasonable to deduce that union officials that can force all of their members to pay union dues have little or no incentive to take all of their members' concerns completely into account. As long as the union officials keep 51 percent of their membership happy, the interests of the remaining 49 percent may be considered a low priority.

That is why I believe that rehabilitating an existing business is much easier, much cheaper, and much more efficient in states with right-to-work laws, which create an environment where union offi-

cials work with management to help achieve goals common to both business and rank-and-file workers.

In right-to-work states, I believe union officials are much more likely to be concerned with keeping their members happy and may not oppose a much-needed management decision that workers see as benefiting everyone in the long run. This is the way it should be, and if Congress would pass a national right-to-work law, it would be a huge step in the right direction.

I know I am not just one of a handful of business leaders who feel this way. I know many other CEOs and business owners who have similar outlooks and experiences. I feel that union officials should have to earn the rank-and-file members' union dues. This way, members might be given more control over their union's activities. A union official may temper confrontational opposition to common-sense change, knowing that rank-and-file members would be able to withhold payment of union dues if they feel union officials were not acting in the workers' best interests.

I believe that when individual workers are given liberty, it is good for business and employers alike. In my experience, I can tell you that Oklahoma's right-to-work law was a major factor in our decision to acquire the assets of Oklahoma Fixture Company and helped make it possible for the creation of approximately 250 jobs in a little over two years.

My experience as CEO of Penloyd and my personal belief in freedom leads me to support the National Right To Work Act. I hope Congress will work to pass this important legislation.

[Mr. McNicholas' testimony may be found in the appendix.]

Chairwoman MUSGRAVE. Thank you very much.

Our last witness is George Leef. He is the executive director of John William Pope Center for Higher Ed. Policy. Thank you for being here, Mr. Leef.

STATEMENT OF GEORGE LEEF, JOHN WILLIAM POPE CENTER FOR HIGHER EDUCATION POLICY

Mr. LEEF. Thank you. Representative Musgrave and members of the Committee, my name is George Leef. I am the director of the John William Pope Center for Higher Education Policy in Raleigh, North Carolina.

Long before I took an interest in higher-education issues, however, I was interested in the labor law, and I thank you for the opportunity to address the Committee today on the state of federal law on labor relations. That was a subject I paid great attention to when I was in law school, and it is one that I have subsequently written about on several occasions.

Back in 1990, I wrote a paper entitled "The Case for a Free Market in Labor Representation Services," which was published in Cato Journal and a copy of which, I believe, has been provided for you. Much more recently, I wrote a book on the history of the right-to-work movement, entitled Free Choice for Workers, which explains what our labor relations statutes say and why I find it to be inappropriate for a free society. The book has just been published by Jameson Books.

In my testimony, I would like to discuss the origin and provisions of the National Labor Relations Act, the keystone of federal labor relations policy.

Historically, laws pertaining to labor, including union representation, were matters for state government. That is because the Constitution limits the power of Congress to the regulation of interstate commerce, and the particulars of the relationship between employer and employee were not regarded as falling under the founders' meaning in the phrase "interstate commerce." The states, for the most part, and in my view, correctly, left questions of labor relations policy to the common-law principles of contract, tort, property, and agency.

During the Great Depression, the idea that labor relations law was not properly a concern of the federal government was abandoned. Organized labor had strongly backed Franklin D. Roosevelt in the 1932 election and, once in office, FDR was quite willing to repay the favor with legislation desired by union officials. The result was the passage of the National Labor Relations Act, the NLRA, in 1935, which federalized labor relations law.

Just in passing, I would like to say that some very eminent legal scholars regard the NLRA as both unconstitutional and extremely bad policy.

The NLRA created a host of unique powers that take freedoms away from both workers and employers in order to assist union officials in organizing and maintaining their unions. For the present, I will mention just two of them. First, the law establishes a procedure for union elections wherein workers may vote for representation by a union, sometimes with a choice between unions, or no union representation.

Under the law, the winning union becomes the exclusive bargaining representative of all of the workers in the bargaining unit, thereby compelling those who wanted a different union or no union at all to accept the victorious union as their representative. Furthermore, the results of that election are binding indefinitely and cover subsequently hired individuals.

Thus, the law transforms that which had formerly been, and should be, a matter of personal choice into a collective decision which is quite difficult to reverse. Nowhere else in American law is a person denied the freedom to choose whether he will represent himself or to decide exactly who he wants to represent his interests.

Second, the NLRA makes it a legal offense, an unfair labor practice, for an employer to fail to bargain "in good faith" with the certified union. Almost always, one of the first orders of business once a union has been certified is for its officials to negotiate a union security agreement with management, and we have heard some testimony to that effect just recently. Those agreements state that workers in the bargaining unit must pay the union's dues and obligate the employer to terminate anyone who does not. While employers are not legally compelled to consent to the demand for such a mandatory dues payment provision, refusal to do so can lead to costly legal proceedings with the NLRB. This is, therefore, bargaining with one side holding a gun. Combined with exclusive rep-

resentation, we can see how the law promotes compulsory unionism.

Widespread abuse of union power during World War II led to the passage of the Taft-Hartley Act in 1947, amending the NLRA in several ways, most significantly in recognizing that states could choose to enact what are called "right-to-work laws" shielding workers against union security agreements. Today, 22 states have enacted such legislation, and the question for the Committee is whether a National Right To Work Act would be wise. I believe that it would be.

First, as a moral proposition, I maintain that no one ought to be compelled to pay for the services of any private organization that he has not voluntarily agreed to join or contract with. Many union-represented workers object to the political uses of their dues money, for example, and others feel that union officials do little or nothing that is beneficial to them in their jobs. Compelling them to pay dues is just as objectionable as compelling someone to pay fees for, let us say, Internet service that he does not want.

And second, as a practical matter, right-to-work protection helps to make union officials more accountable. Where workers can simply stop paying dues if they become disenchanted with what the union is doing, the discipline on union officials is much stronger than if the worker has no recourse other than to quit his job.

Passage of a National Right To Work Act would be an important step toward the restoration of a labor policy that is consistent with a free society. Further steps would need to be taken to reach that goal, but this is a useful one that I enthusiastically endorse.

Chairwoman MUSGRAVE. Thank you very much, Mr. Leef.

I have been told we are going to have votes right away, so let us restrict ourselves, Members, to just five minutes.

Mr. Mix, I think I will start out with a question for you. Is it true that unions must represent every employee in the workplace, or do they have the freedom to forego the privilege of exclusive representation and bargain only for their members?

Mr. MIX. Thank you for that question. I think that we have talked a lot about that. The fact is, according to former Chairman of the National Labor Relations Board William Gould in his book, *Agenda for Reform*, he states very clearly, and I consider him to be an expert on labor law, he says federal law "permits members-only bargaining without regard to majority rule or an appropriate unit and without regard to exclusivity."

So the fact is here you have a Clinton appointee, William Gould, saying that exclusivity is not, indeed, the law of the land under the National Labor Relations Act, and union officials could choose to represent only their own members. And there are several other pieces of information that address this issue, and I would like to, with your permission, Madam Chairman, submit a study on union representation that is foisted on workers, not vice versa, for the record that answers this question considerably.

But the fact is, when we have asked union officials—as a matter of fact, in 1993, a bill was introduced in this Congress to repeal that exclusivity in the law to allow voluntary bargaining where it would codify the fact that unions would only represent their workers. We invited Lane Kirkland, we invited Ted Kennedy to join

Dick Arney to sponsor the bill to endorse that bill and to wipe out this so-called "problem" with workers who are not paying "representational fees," and, of course, there was deadly silence from the other side. The fact of the matter is, we believe that if unions would represent only those members that wanted their representation, this problem would go away.

I think it is interesting to note, in a couple of developments just recently in the paper—one is a CSN News Service story regarding an AFL-CIO—this was around Labor Day. It says: "AFL-CIO non-affiliate tops one million members." They have got this organization out there that allows people to join the AFL-CIO in a non-union membership status, and they are crowing about how successful it is that these workers who want to join them voluntarily have signed up, and they are growing in support.

So I would say that, no, under the law, a union official is not required to become the monopoly bargaining agent. They could negotiate a clause in a contract that would say they would represent only their members and those that wanted their representation.

Chairwoman MUSGRAVE. Thank you very much.

Mr. Lipinski, do you have questions?

Mr. LIPINSKI. Thank you. I will try to do it quickly. I have a lot of questions.

Mr. Feinstein, can you respond to what Mr. Mix just said?

Mr. FEINSTEIN. I must say, I am intrigued by it. I do not really understand it. It is my understanding of the law that there is an obligation. The union does have an obligation, at the risk of having charges filed against it if it fails to do so, to represent all members of the unit in terms of grievances, in terms of arbitration, and in terms of any other interests that the union represents with equal diligence, as it represents any other member of that unit.

Now, I am not honestly sure what the quote that you are referring to, but I must say about this whole question of exclusive representation that it has wide ramifications because are we talking about, and are people suggesting, that if less than a majority of a unit seeks representation, that that is consistent with the perspective being suggested here? Let us say 35 percent or 45 percent of the workers seek union representation. Of course, under the prevailing interpretation of labor law, they do not have a right to do so, and, again, I would question, are people here, other members of this panel, in favor of an arrangement which does exist in other countries, I have to say, where the whole notion that you need a majority before you get any form of representation, which is the principle of our law, should be abandoned? I think that that is an interesting proposition. I think that is a proposition that perhaps some unions today or some advocates for unions today might consider discussing.

Mr. LIPINSKI. Okay. I just want to move on because we do not have much time. We can come back to that. I want to ask Dr. Baird, who talked about the free rider problem—you are an economist, and as a professor of political science, also familiar with free rider problems, I am sure you acknowledge free rider problems do exist, and you are saying now—my understanding is that there are those who are nonunion members who are in a union shop, that they are not receiving benefits for what they have to give.

My understanding is you are saying, and Mr. Feinstein had talked about how there are higher wages when you have a union—there is also a lot of evidence that there are better medical benefits, better pension benefits—it is my understanding you are saying that this is not true, that there is not any benefit from having a union. Is that what you were saying?

Mr. BAIRD. No, sir. That is not what I am saying. I am saying two things. I am saying, first of all, that it is only because of exclusive representation that there can be any kind of free rider problem in labor relations. There is nothing inherent in the employment relationship between an employee and employer that gives rise to any free rider problem, but because of exclusive representation, yes, there can be free riders. There can be.

Now, as to the empirical question of whether unions, on balance, benefit workers relative to their nonunion counterparts, that is arguable. There are several empirical studies which suggest that unions do not, on average, benefit workers—make them any better off than comparable workers in comparable industries in comparable circumstances that are union free.

Mr. LIPINSKI. There are certainly situations, and I will not argue with Mr. Galley or Mr. Butcher—they have had their experiences, and I am not going to say that there is never any problem that one sees, but I think it is akin to saying people who say they do not agree with things the government is doing and saying, I am not going to pay my taxes. The idea is that if people band together, they can get a better deal than an individual can do. If anyone would go out and try to negotiate for themselves, it is much more difficult because—do you think there is an uneven power between an individual who is going out to bargain for themselves and an employer?

Mr. BAIRD. No, I do not. I think that whole idea of labor's bargaining-power disadvantage is a hoary myth, and that goes back to the 19th century, and I can point you to a study that was published in the Journal of Labor Research written by Morgan Reynolds which, I think, substantiates that, or at least makes it an arguable position.

But I want to get back to the first thing that you started saying. You were making an analogy between the union question and government. Can a taxpayer refuse to pay because it disagrees with what the government does?

Chairwoman MUSGRAVE. I am going to cut you off, and if votes are not called, we will come back to that question, if we may. Thank you.

Mr. Sodrel, do you have questions?

Mr. SODREL. Can I make a 30-second statement beforehand?

Chairwoman MUSGRAVE. You can use your five minutes however you want to.

Mr. SODREL. Well, thank you, ma'am.

In my view, unions represent working people. They are professionals. They give advice and provide service to the working people. In my professional life, I have employed the services of professionals to represent me. I have employed attorneys, accountants, and some other professionals directly. I belong to several trade associations as well, but all of these associations were voluntary and

mutually beneficial. If I thought I could do the job myself, I was free to do so. I believe the U.S. Constitution guarantees me that right, and I do not know how I can deny that right to my fellow Americans.

To me, the issue is about liberty. It is solely about liberty. We fought a revolution over 200 years ago over the issue of individual liberty. The only question I have is I am curious, Mr. Butcher, how much did you have to pay, the agency fee versus union dues, in other words, as a percentage. Did you get a 20-percent discount, or did you get a 30-percent discount, or do you remember?

Mr. BUTCHER. Over the two years I was a Beck objector, it varied. As I mentioned, the first couple of breakdowns of expenses that they gave us were totally phony. They had not been verified by an audit, and those hovered towards 90 percent. When they were finally forced to give us a legitimate breakdown of expenses that was verified by an audit,—keep in mind, the auditor is only merely adding up the expenses to make sure that he has done the numbers correctly—a half a million dollars of expenses suddenly appeared which were not previously there, okay, mainly affiliate fees, and the Beck fee was lowered down to 85 percent, and it floated down in the 82-to-83-percent range. Since then, it has been gradually creeping up.

Mr. SODREL. So you got anywhere from a 10-to-20-percent discount off standard union dues.

Mr. BUTCHER. Yes, yes.

Mr. SODREL. Thank you. I yield back the balance of my time, Madam Chairman.

Chairwoman MUSGRAVE. Thank you very much. Ms. Moore, do you have questions?

Ms. MOORE. Thank you so much, Madam Chair and Mr. Ranking Member. I can tell you that I am just quite stunned by this testimony, being the daughter of union members. My mother was a teacher, and my dad was a member of the UAW.

I guess I want to ask a couple of questions. There were some references to studies regarding the well-being or lack thereof of union members versus nonunion members, but I am looking at the United States Bureau of Labor statistics, which I think we all, in the public and private sector, rely upon, the Census Bureau, to give us accurate data versus private studies that there may be some mission involved, and what they have said is that 88 percent of private sector union workers have access to retirement benefits in their jobs compared with only 56 percent of nonunion workers. Seventy-three percent of union workers have access to defined pension plans, which we know is a very critical benefit these days, 73 percent versus 16 percent of nonunion workers, and that 92 percent of union workers have access to job-based health care benefits, a real crisis of 48 million uninsured workers, compared with 68 percent of nonunion workers. So these are Bureau of Labor data.

I guess my bottom-line question to Dr. Feinstein, number one, is, are people forced to join a union?

Mr. FEINSTEIN. As I indicated in my testimony, and as, I think, the other testimony here today suggested, no, people cannot be forced to join a union. People can be required to reimburse the union for expenses expended in doing the representational services

that a union is obligated to do for all of the people in the relative bargaining unit.

So membership really here is not the issue. The question really is, can employers and unions voluntarily negotiate a provision in a contract which says that the union has the ability to cover its expenses in part by charging reasonable expenses to each member that it is obligated to represent?

Ms. MOORE. So the expenses would be actually negotiating, you know, pension benefits, health care benefits. You know, I have 59-percent unemployment among African-American men in my district. They would love one of these UAW union jobs that you guys are eschewing at this point.

I can understand the employer's perspective, the turnaround, the gentleman who turned the company around in Oklahoma—you said specifically that a risk in this investment were very well-paid carpenters and painters and that in order to be competitive internationally, you had to reduce these risks and that they chose to decertify the union.

I am just wondering, because I am very concerned about globalization and international economics in my service here in Congress, do you really think that with global competition that we are going to win what I call this "race to the bottom" where, you know, say folk in China working for 61 cents an hour? Are these who you regard as your competitors? You know, what wage would carpenters and painters have to be paid in order for you to regard yourself as competitive with places that produce products at 60 cents an hour and use child labor?

Mr. McNICHOLAS. China is definitely our biggest competitor. We are not changing the wage we pay. What we look at before we commit capital and make an investment is can we work together with the workers to be more flexible, creative, smarter, use our advantage of short lead time to win amongst competition in the U.S. as well as international competition? Before we invest that capital, our view is that we get more cooperation in states that have right-to-work laws. Before we employ that capital, we want to get the best environment possible because it is extremely competitive and extremely difficult.

Ms. MOORE. Well, North Carolina is a right-to-work state, and they have lost more manufacturing jobs than anybody else, so I just am failing to see the connection. But the real question I guess I want you to respond to, the highest cost of any investment, as you know, is the workforce, so if your competition is someone who makes 60 cents an hour, it does not matter what economies of scale you are able to realize on infrastructure and equipment and all of that. If you cannot bargain—they do not have a union anymore, so you would not have to bargain with the union, but you would have to negotiate 60 cents an hour in order to be directly competitive with the global economy.

Chairwoman MUSGRAVE. Thank you, Ms. Moore, very much.

Ms. MOORE. Thank you so much.

Chairwoman MUSGRAVE. We will see if we have time for another round before we are called to vote. I will start with Mr. Mix. Tell me about trends in union membership.

Mr. MIX. Well, the trends in union membership are that they only represent about 7.9 percent of the private sector workforce in America today. The actual number of union members is not down that much, but the union density is down, and that is what the AFL-CIO is complaining about. I would suggest to you that the good news is that jobs are growing, and so the union density is down while the number of actual union members is down, I would say, a million or so from some peak union density periods.

But the fact is, is that workers are saying no to organized labor out in the workplace. The number of certification elections is dropping dramatically at the National Labor Relations Board. I think union statistics are that only about 80,000 workers were unionized through union-certification elections last year and that the bulk of new union members came through so-called "card-check certification," which is another whole topic that we could get into.

But the trend has been that union density is diminishing, and I think it is reflective of what we have heard in our testimony today that union officials are unresponsive to rank-and-file workers, and the fact is that, as the distinguished former general counsel says, this is an agreement between employer and unions. It says nothing about employees and their rights. And I would suggest to you that like the AFL-CIO—as a matter of fact, Linda Chavez Thompson, the vice president of the AFL-CIO, after quoting publicly in a battle in a Tennessee after several years of trying to repeal the right-to-work law, she admitted publicly that it probably make sense for them to go out and try to get workers to join them voluntarily, and we wholeheartedly agree.

In Idaho, when we passed the right-to-work law up there, a TV reporter stuck a microphone in front of the AFL-CIO president's face that night and said, "What are you going to do now?" and he said, "I guess we are going to have to go out and sell our services to members, something we have not had much practice with." Those are compelling statements by union officials.

In the State of Iowa, a union official for the teacher's union, the NEA affiliate out there, when asked about taking a position on one of the radical stands that the parent-teacher union had taken at their convention, was asked, on a 50,000-watt, AM station, whether or not they were going to agree to that, and the union president said, "No, we are a right-to-work state. We would lose all of our members."

So these, I think, are anecdotes that are reflective of the employee choice that we believe should be part of the law that currently is not, and I think if unions would take the advice of Samuel Gompers and adhere to voluntary institutions, they would be better off. As we see from the statement from CNN News Service on Labor Day saying they have created a million new "nonunion members" to the AFL-CIO, that is an exciting development. We have another quote from a union official in Arizona who said the right-to-work law actually has led to increased unionization in the State of Arizona because they have to work a lot harder to get union members.

So those are exciting anecdotes, and I think a system of volunteerism is the secret to organized labor's success.

Chairwoman MUSGRAVE. Thank you. Mr. Lipinski, do you have another question?

Mr. LIPINSKI. One question for Mr. McNicholas. You talked about the decertification of the union and how helpful that was. Could that have happened in any state? Did that rely on it being a right-to-work state?

Mr. MCNICHOLAS. I do not know the answer to that.

Mr. LIPINSKI. A union could be certified even if it is a free-bargaining state. Is that correct, Mr. Feinstein?

Mr. FEINSTEIN. Yes. That is correct.

Mr. LIPINSKI. I will come back to Dr. Baird because you have been wanting to jump back on this. My understanding now, from your view, is that there is no benefit—there can be no benefit to workers joining together—

Mr. BAIRD. I did not say that.

Mr. LIPINSKI. —to negotiate because an individual is not at any disadvantage.

Mr. BAIRD. I did not say that there are no benefits to union representation. I would never say that. That can only be decided on a case-by-case basis. The question I am addressing is whether there can be free riders, and, again, there can only be because of the perversity of the law, Section 9[a], that creates exclusive representation. That is the only reason there can be free riders. Now, on a case-by-case—

Mr. LIPINSKI. Why is that the only reason there could be free riders?

Mr. BAIRD. Because if a union represented only its voluntary members and no one else, it would be bargaining for only those voluntary members, and only those voluntary members would get the union-generated benefits.

Mr. LIPINSKI. Create multiple, as many as possible, so different workers could be getting different—you have your union members, and then you have everyone else there who is not a union member is a free agent who negotiates—has their own benefits.

Mr. BAIRD. Not necessarily. If you want a good, modern example of legislation that is not based on exclusive representation, that is based on members-only bargaining, I would point you to New Zealand and its 1991 Employment Contract Act where workers can decide whether to be represented by a union, whether to be represented by a third party who is not a union, or whether to represent themselves, and, yes, under those circumstances, there can be different pay being paid to people who are doing similar work simply because of the different outcomes of bargaining, and I do not find anything wrong with that whatsoever.

Mr. LIPINSKI. Mr. Feinstein, do you think that that could work here?

Mr. FEINSTEIN. Well, it is certainly a system which is vastly different from the one we have in place where, again, you need a majority to support the collective bargaining process before members have any ability to sit down and negotiate with an employer. Again, I pose the question that I posed before: Are we talking about a situation in which any number of workers less than a majority can come together and request negotiations, and a meaningful process of negotiations would proceed even if a majority do not

support it in the workplace? Again, that is a system which prevails in many places in Europe, and many have suggested that it might work in this country, but it is very different, and under our laws, the union is, indeed, required to represent all of the workers in the units for which they have been certified. The majority representation, exclusive representation, that we have been hearing about is the requirement here, and the suggestion of doing away with that would be something that is vastly different than the system we have in place.

Mr. BAIRD. Could I respond to that briefly?

Mr. LIPINSKI. Go ahead, Mr. Baird.

Mr. BAIRD. I am fully in favor of having a situation where if 10 percent of the workers want to have a union represent them, that is perfectly okay with me. I am arguing against monopoly bargaining, which is exclusive representation. I want members-only bargaining, which is the form of unionization we had in this country under Section 7[a] of the National Industrial Recovery Act passed in 1933, and it is the most common form of union representation in the developed world.

Mr. LIPINSKI. Okay. Mr. Leef, I was just informed that you want to be recognized. I did not see you there. Go ahead.

Mr. LEEF. If I could comment just briefly on the question we have been discussing here about exclusive representation, I came across an interesting passage in a very pro-union publication called Working USA recently. The article was entitled "Toward a New Labor Rights Movement." The authors are James Pope, Peter Kellman, and Ed Bruno, all known to be vigorous advocates of unionism. Here is what they said. "Under Section 9 of the NLRA, the presence of a majority union extinguishes the right of dissenters to bargain as individuals or to form their own minority unions. Thoughtful, pro-union analysts contend that when a majority union is insulated against competition, its officers may tend to ignore the interests of minorities. The fact that the overwhelming majority of industrial countries rejects exclusive representation should give us pause."

I think they are right. Exclusive representation was a bad mistake in 1935. The National Right To Work Act we are considering does not get rid of that, but I think that is something that we should be thinking about, even more radical change in our labor laws.

Chairwoman MUSGRAVE. Thank you, Mr. Leef.

Mr. Lipinski, anything else?

Mr. LIPINSKI. Mr. Feinstein?

Mr. FEINSTEIN. Yes. As I suggested, I do think that there are many supporters of unions—I am sure it is not a unanimous view—who would be interested in pursuing further conversation and thoughts about this whole question of minority unions and exclusive representation.

I think it is important also to understand some of the other concerns, I think, that need to be addressed in the context of talking about that kind of fundamental change. They do also, I believe, relate to the rights of workers in the workplace. For example,—

Chairwoman MUSGRAVE. Thank you. We are going to wrap it up now. We have been called to vote.

Gentlemen, I want to thank you all for your excellent testimony today. I appreciate your time and your expertise, and thank you for being in this hearing, and we are now adjourned.

[Whereupon, at 11:28 a.m., the Subcommittee was adjourned.]

**Prepared Remarks
Marilyn Musgrave
Chairman**

INTRODUCTION

- Good morning. Thank you all for being here.
- I would like to extend a special greeting to our witnesses and to those who have traveled a great distance to be with us today.
- The topic we are going to explore today is a national right to work law.
- I am very pleased that we have Congressman Joe Wilson here with us today to discuss his legislation, H.R. 500, the National Right to Work Act.
- I consider Joe to be a good friend and I sincerely appreciate his leadership on this issue, among many others.
- We also have an excellent second panel of policy experts, authors, and individual workers, all of whom have extensive experience with the right to work issue.

SUPPORT OF RIGHT TO WORK—CONSTITUTIONAL ARGUMENT

- I want to be brief in my remarks because I am very eager to hear today's testimony, but I do want to say that I am an enthusiastic supporter of the National Right to Work Act.
- While this is a certainly labor issue, I also believe it is reasonable to consider it a Constitutional issue as well.
- The First Amendment of the Constitution guarantees American citizens the freedom of association, and that freedom should and must extend to the workplace.

- If one does not wish to join an organization (such as a labor union), the federal government should not force you to do so with the threat of losing your job.
- Yet, due to a fatal flaw in the National Labor Relations Act (NLRA), many workers are prevented from getting a job unless they agree to pay union dues.
- This is fundamentally and unequivocally wrong.
- Forcing someone to join a union as a condition of employment is a very real and unfair burden on working families who may often disagree with the views of today's labor leaders.

SUPPORT OF RIGHT TO WORK—FREE MARKET ARGUMENT

- Adopting a National Right to Work law will strengthen our economy.
- A free and open job market is the key to productivity, growth, and stability in our nation's economy, which works best when individuals have the freedom to choose from a wide array of products and services.
- This principle has made our economy the strongest in the world.
- The belief must also apply to the workforce--it is at its best when individuals are free to make informed choices about the conditions of their employment.
- I find it ironic that just earlier this year, several of the unions under the umbrella of the American Federation of Labor—Congress of Industrial Organizations decided that its leadership was not representing their interests sufficiently.
- So they did what individual workers are not allowed to do—they disassociated themselves with the union to represent themselves.

- **Why is it that unions are allowed to disassociate themselves from each other, but when an individual worker wants to leave a union, he could face termination?**
- **It's a double standard that we can correct. Enacting H.R. 500 sponsored by my friend and colleague Representative Joe Wilson and its Senate Counterpart S. 370 introduced by Senator Trent Lott will do just that.**

CONCLUSION

- **Again, thank you all for being here today as we examine this very important issue.**
- **Before we begin with the testimony, I would like to yield to our Ranking Member, Mr. Lipinski, for any opening statement he would like to make.**

Testimony of U.S. Rep. Joe Wilson

In Support of H.R. 500

Thursday, September 8, 2005

Madam Chairman, thank you for the opportunity to testify today. I appreciate the subcommittee's interest in the issue of compulsory unionism.

I believe that compulsory unionism violates the fundamental principle of individual liberty -- the very principle upon which this nation was founded.

Compulsory unionism basically says that workers cannot and should not decide for themselves what is in their best interest. I can think of nothing more offensive to the core American principles of liberty and freedom.

The National Right to Work Act (H.R. 500) will address this most fundamental problem of federal labor policy: does America believe that working men and women should be forced, as a condition of employment, to pay dues or fees to a labor union? I believe that no one should be forced to pay union dues to get or keep a job.

This bill would not add a single word to existing federal labor law. Rather, it would repeal those sections of the National Labor Relations Act and Railway Labor Act that authorize the imposition of forced-dues contracts on working Americans.

Every worker should have the right to join or support a labor union. This bill protects that right. But no worker should ever be *forced* to join a union.

H.R. 500 will strike that balance.

And the vast majority of Americans agree.

According to a March 2004 poll by Research 2000, 79 percent of Americans support Right to Work, and over 50 percent of union households believe workers should have the right to choose whether or not to join or pay dues to a labor union. That should come as no surprise. People want the freedom to decide what is in their best interests. And right to work expands every working American's personal freedom.

Of course, compulsory unionism is not just a freedom issue. Right to Work brings economic benefits as well.

I am happy to say that my own state, South Carolina, is among one of the 22 states that is a "Right to Work" state and has been since 1954. Over the past decade, Right to Work states have held a significant advantage in job creation, employer-provided health insurance, and real purchasing power over their compulsory unionism counterparts.

According to University of Colorado economist Barry Poulson, after adjusting for cost of living, household income in Right to Work state metropolitan areas in 2002 was \$50,571, nearly \$4,300 higher than the average in forced-union-dues state metropolitan areas.

But the sad fact is, even though South Carolinians have enjoyed the protection of a state Right to Work law for decades, it's simply not enough. Railroad workers, and those employed in "federal enclaves," are exempt from a state Right to Work law's protection and must pay union dues or fees -- or be fired.

Madam Chairman, that is why it is time for Congress to act and return to all American workers their rights as citizens of this country.

In 1935, Congress chose to enact legislation that forces American workers to accept Big Labor's so-called representation just to get or keep a job. It is now our responsibility to end compulsory unionism once and for all.

Passage of H.R. 500, the National Right to Work Act, would not only give individual freedom back to America's working men and women, but would help our nation's economic output as well.

That is why I urge my colleagues to support this legislation, which expands the freedom of hard working Americans and gives them the freedom to choose whether to accept or reject union representation and union dues without facing coercion, violence, and work-place harassment by union officials.

Madam Chairman, thank you for this opportunity to testify.

**Testimony of Mark Mix
in support of H.R. 500
the National Right to Work Act of 2005
before the House Small Business Committee's
Subcommittee on Workforce, Empowerment,
and Government Programs
on September 8, 2005**

My name is Mark Mix. I am President of the National Right to Work Committee, a 2.2 million member citizens' organization dedicated to the elimination of compulsory unionism.

I want to commend the chairman and members of this committee for re-examining the impact federal labor laws' forced-dues provisions have had on America's workforce.

America was established as a free society. And all working Americans should be guaranteed the right to decide for themselves whether a union deserves their financial support. That right is guaranteed by the American Constitution, and legislative attempts to deny that right must be nullified.

Because of its complexity, our Federal Labor Law is not understood by most Americans. But the issue of Right to Work couldn't be any simpler. Every worker must have the right, but no one should be compelled, to join or pay financial tribute to a labor union as a condition of getting or keeping a job.

The National Labor Relations Act abuses the freedom of working people to earn an honest living for themselves and their families. Under this so-called "Magna Carta" of workers' rights, employees who never requested union representation are forced to accept a union as their monopoly bargaining agent. Then, adding insult to injury, under Federal Labor Policy they are forced to pay for representation they never requested and do not want.

That the NLRA is often perceived as a great charter of freedom was not entirely unintentional on the part of its drafters. In fact, it contains some of the most deliberately misleading language human beings could devise. Let me read the essential portion of Section 7, cleverly entitled, "Rights of Employees":

"Employees shall have the right to self-organization to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, and shall also have the right to refrain from any or all such activities . . ."

Now, what could sound fairer than that?

But wait - let me finish the sentence:

"Employees shall have the right to refrain except to the extent that such right may be affected by an agreement requiring union membership as a condition of employment. . ."

That "except," and the words that follow, have to be one of the most cynical exercises in legislative deception on record.

The National Right to Work Act, legislation that has been introduced by Congressman Joe Wilson, would end this cynicism by deleting the above-quoted exception and its referenced language in federal law empowering union officials to force private sector employees to pay union dues in order to work. Not one letter is added to federal law.

There is no natural right in a free society for any private association to compel financial tribute. Only the federal government's preemption of labor-management relations in the private sector makes such coercion possible.

Even the most avid promoters of compulsory unionism are forced to defend it on the basis of pragmatism not principle. They contend that an organization of compelled members is stronger and more effective.

No less an authority than former Secretary of Labor Robert Reich put this most succinctly. As a Harvard lecturer in 1985,

Mr. Reich gave the following explanation of federal labor law to an Associated Press reporter - and I quote his exact words:

"In order to maintain themselves, unions have got to have some ability to strap their members to the mast.

"The only way unions can exercise countervailing power vis-a-vis management is to hold their members' feet to the fire. . . . Otherwise, the organization is only as good as it is convenient for any given member at any given time."

Former Secretary Reich has accurately - if callously - described the basic principle of federal labor law - that the convenience of union officials must take precedence over the freedom of employees who wish to earn a living for themselves and their families.

Significantly, the late Frederick Hayek, Nobel Laureate, made exactly the same point when he wrote about U.S. Labor law, "It cannot be stressed enough that the coercion which unions have been permitted to exercise contrary to all principles of freedom under the law is primarily the coercion of fellow workers. Whatever true coercive power unions may be able to wield over employers is a consequence of their primary power of coercing other workers; the coercion of employers would lose most of its objectionable character if unions were deprived of this power to exact unwilling support."

However, there is no evidence that unions based on this "enforced" solidarity are more valuable to working people and to the country than those based on principles of freedom. In fact, it was President Kennedy's Secretary of Labor, Arthur Goldberg, a former union lawyer, who told a union audience in Washington in 1962 that, "Very often even the union that has won the union shop will frankly admit that people who come in through that route do not always participate in the same knowing way as people who come in through the method of education and voluntarism."

The late Supreme Court Justice, Louis Brandeis probably summarized this principle best when he said, "The union attains success when it reaches the ideal condition. And the ideal condition for a union is to be strong and stable and yet to have in the trade outside its own ranks an appreciable number of men who are non-unionists. Such a nucleus of unorganized labor will check oppression by the union as the union checks oppression by the employer."

Too often, union officials are more driven to maintain their coercive privileges than to win wage and benefit increases for the employees they claim to represent. Let me cite an example.

One of hundreds, if not thousands, of examples took place in Colorado. A.B. Hirschfeld Press ended the practice of forcing its employees to pay union dues. One month later, the Denver

local of the Graphic Communications union began a strike in which the forced-dues payments were the only issue. In fact, Local 440's Secretary-Treasurer admitted to The Denver Post that the union hierarchy was willing to "accept a pact in which workers would have had their wages frozen" but was "adamant that it never will accept Hirshfeld's demand for an 'open shop.'"

Although this injustice - the pressure on employers to barter away employee freedom in exchange for dollar benefits for themselves - is a common occurrence, it rarely comes into public view. The particular incident cited here came to light only because union officials were threatening to boycott a Democratic fund-raising event featuring Mrs. Gore, the Vice President's wife, and co-sponsored by the plant owner's wife.

Many employers are unwilling - or unable - to endure the costs of protracted and violent strikes to protect their employees from forced union membership. It should come as no surprise that some employers will leap at the union bosses' offer of lower wages and fewer benefits for the employees if the employer will simply hand them over to the union.

Using their government-granted coercive power, union officials collected \$7 billion in forced union dues from private sector workers alone in 2003.

Indeed, it is high time that we go directly to the heart of the matter - the merits or demerits of the Congressional sanction of compulsory unionism. This is the real issue - should union membership be voluntary or compulsory? The underlying philosophy of those who believe in the Right to Work principle can be best summed up in the words of Samuel Gompers, founder of the American Federation of Labor, who urged, "devotion to the fundamentals of human liberty - the principles of voluntarism. No lasting gain has ever come from compulsion. If we seek to force, we but tear apart that which, united, is invincible."

The most perceptive observers, both inside and outside Organized Labor, have long recognized that compulsory membership in unions is not necessarily beneficial to the rank-and-file employee whose interests union officials are supposed to serve. In fact, some of the most dedicated advocates of Organized Labor have concluded that the best interest of the labor movement itself is hurt more than it is helped by reliance upon compulsion in attracting and retaining members.

In fact, Donald Richberg, author of the Railway Labor Act, top advisor to the Roosevelt Administration, and a lifelong, active friend of Organized Labor, could only lament: "It is hard to understand how labor unions, which have developed voluntary organizations of self-help to free labor from any oppression of employer power, can justify their present program of using the

employer's control of jobs to force men into unions to which they do not wish to belong."

Unfortunately, as the union movement has evolved from the Compers era of dedicated leadership to the present-day era of a giant union "establishment," characterized by high-salaried and highly privileged professional union officials, the attitude toward forced membership has hardened into one of total opposition to all forms of voluntarism. In the lexicon of today's union boss, Right to Work legislation or voluntary unionism is a dirty word. They have invested millions and millions of forced-dues dollars in campaigns to convince the public that Right to Work laws and anti-unionism are synonymous. Many politicians have mistaken the shrill voice of union-financed propaganda for the voice of the worker himself.

The Right to Work movement is a coalition of employees and employers who speak for all Americans who believe in voluntary rather than compulsory union membership. Every citizen has a stake in restoring conditions which will lead to responsibility and responsiveness on the part of union leadership. Compulsory unionism sets the stage for most of the abuses of union power - abuses which work to the detriment of all segments of the American public.

Over the years, employer groups have sought to treat the symptoms - to correct abuses growing out of compulsory unionism -

rather than attacking the root of the problem. Laws have placed certain restrictions over the internal affairs of unions: control of union elections, licensing of union officials, publication of union financial records, and many more. Other than creating complex administrative machinery, these efforts have had little or no effect on the real problem and in fact are difficult to defend.

We believe that labor legislation should adhere to a policy of providing true freedom of choice for the worker - that given a choice he will insist on responsible union leadership. And I believe that responsible union leaders should welcome Right to Work. Union leaders who truly seek to represent the interests of employees would surely agree with the late Senator Sam Ervin, who once wrote that, "right-to-work laws remove the motive of the union to subordinate the interests of the employees to its wish, and thus leave it free to conduct negotiations for the sole purpose of obtaining a contract advantageous to the employees."

In fact, some union leaders do now understand, albeit grudgingly. In 1996, in Lynchburg, Virginia, a local Steelworkers official told the Daily Advance, "It's a strange thing about a right-to-work state . . . We get 100 percent participation during contract negotiations."

After Idaho voters approved a Right to Work referendum, Idaho's AFL-CIO chief admitted that union organizers would "have

to learn something about contacting the worker and asking him to join, which they haven't had a great amount of experience in."

And having failed in several attempts to repeal Tennessee's Right to Work Law, the AFL-CIO now must, in the words of AFL-CIO executive vice president Linda Chavez-Thompson, "go out into those communities and show (non-members) that we are also members of those communities." Maybe then, Chavez-Thompson speculates, "they will want to join unions." Exactly!

Fred Comer, former Executive Director of the teachers union in Iowa, the affiliate of the National Education Association, commented on the NEA's highly controversial action calling for a nationwide "homosexuality awareness month" in all the public schools. Comer was asked if his Iowa NEA affiliate would support that program. His response: ". . . No we don't support it. Iowa is a Right to Work state, we have to earn our membership. If we supported that, we'd lose too many members."

I bear little hope that AFL-CIO chief John Sweeney and his lieutenant, Richard Trumka, will heed the over 60 percent of union members who, according to scientific polling, oppose forced unionism propped up by Federal law. I am more hopeful that you and the rest of the U.S. Congress will heed those union members shouting, "I want my union back."

If that isn't enough, I implore this subcommittee to listen to the nearly 80 percent of all Americans who support giving all employees the Right to Work regardless of whether or not they pay union dues.

The National Right to Work Act presents the United States House of Representatives with the clearest of choices as to the focus on Federal labor policy for the new millennium. On one side stand the American people who have declared in every credible poll their overwhelming opposition to compulsory unionism.

On the other side stand the AFL-CIO hierarchy and its allies in the House, who have used any and all means to preserve the forced-dues provisions in Federal law.

I ask the members of this subcommittee to side with the American people and begin the process of ending compulsory unionism.

Thank you for the opportunity to address this urgent matter.

**Testimony of Charles W. Baird, Ph. D., before
U. S. House Committee on Small Business
Subcommittee on Workforce, Empowerment and Government Programs
September 8, 2005**

Chairman Musgrave, ranking member Lipinski, and members of the subcommittee: Thank you for the invitation to testify on *The National Right to Work Bill* (HR 500). I do so on my own behalf.

The right-to-work issue has several dimensions. I choose to examine what I consider to be the two most important of them – the First Amendment principle of freedom of association and the free rider argument.

Correctly understood freedom of association in private affairs has two parts: First, any person has a fundamental right to associate with any *willing* other person or persons for any purpose that does not trespass against the fundamental rights of third parties. This is often called the positive right of freedom of association. Second, any person has a fundamental right to *refrain* from association with any other person or persons no matter how fervently these others may desire such association. This is often called the negative right of freedom of association. Logically, without a negative freedom of association, the positive freedom of association is meaningless. If A cannot refuse to associate with B, A does not have the (positive) freedom to choose with whom to associate. Freedom of association is irreconcilable with coerced association.

If unions were voluntary associations who represented only their voluntary members, and if bargaining were wholly voluntary, there could be no objection to a union agreeing with a willing employer to include a union security clause (which forces all workers to support the union) in a collective bargaining agreement. Such would not

violate anyone's freedom of association. The employer and the union would be free to choose whether to bargain over and to consent to such an arrangement, and workers would be free to choose, on an individual basis, whether to accept employment on such terms. Such is the common law of contracts and property.

However, under Section 9(a) of the NLRA American unions are not voluntary organizations who represent only their voluntary members. If they are certified by majority vote among workers, they become the exclusive bargaining agents of all workers in a bargaining unit whether some workers therein agree or not. This is usually excused on grounds of "workplace democracy," but that excuse is invalid. The First Amendment forbids deciding which church to attend on the basis of a majority vote enforced by government, and the First Amendment's principle of freedom of association also forbids deciding which representative will represent all workers on the basis of a majority vote enforced by government. Democracy is a form of government. It cannot rightly be imposed by government on decisionmaking in the private sphere of human action where each individual must be free to choose his/her associations. Ironically, many who oppose the right-to-work concept on the grounds that a majority vote gives a certified union sufficient legitimacy to justify union security agreements, now are trying to eliminate secret ballot elections in the choice of exclusive representatives. They would substitute so-called "card-check certifications."

Nevertheless in 1935, with the original NLRA, Congress saw fit to impose exclusive representation on American workplaces. In 1937, in *NLRB v. Jones & Laughlin Steel Corp.* (301 US 1), under President Roosevelt's court packing threat, five Supreme Court justices voted to acquiesce to Congress and the president.

Exclusive representation, created by Congress, gives rise to the whole right-to-work issue. Under exclusive representation a union cannot bargain just for its voluntary members. Individual workers are even forbidden to represent themselves. This creates the free rider problem that unions and their apologists use to justify forcing all represented workers into either joining unions or paying union dues and fees as a condition of maintaining employment. The argument is simple: Since a certified union is forced by law to represent all workers in a bargaining unit whether they approve of the union or not, all such workers must be forced to pay for the union's representation services. Otherwise, they would get the benefits of the representation for free, and that would be unfair to those workers who willingly pay union dues.

The free rider argument is not only simple, it is vacuous. Assume, *arguendo*, that, in the absence of a union security clause, dissident workers would be free riders. It is the law itself that creates such a possibility. Free riding is not inherent in the employment relationship. If it were not for exclusive representation (a privilege unions fought long and hard to obtain) there could be no free riders. If a union bargained only for its voluntary members, only they would benefit from the bargaining. Other workers would have to have some other representative bargain for them or they would have to bargain for themselves. This "members-only bargaining" was the rule prior to 1935 in America, and it is still common in most developed countries of the world. (An excellent example of legislation that makes it possible for members-only bargaining to work well for all workers is New Zealand's Employment Contracts Act of 1991.) If it were not for exclusive representation, union security would be moot. There would be no need for a National Right to Work Act.

Given exclusive representation the unions' free rider argument amounts to saying that since Congress has agreed to override individual workers' freedom of association in choice of workplace representative, Congress must also override individual workers' freedom of association in choice of whether or not to support a specific workplace representative. According to union apologists, one violation of freedom of association compels another violation of freedom of association. I argue that, given the first trespass against freedom of association, a National Right to Work Act is necessary to prevent the second trespass.

The argument that a National Right to Work Act would be a trespass against the rights of states to choose their own union security regulations is both disingenuous and silly. It is disingenuous because those who make it are exactly the same as those who advocate repeal of Section 14(b) of the NLRB which explicitly gives states the right to enact their own right-to-work laws. It is silly because the only reason that states have to concern themselves with the right to work question at all is because Congress imposed the NLRA on all states. Congress violated states rights with the NLRA (notwithstanding the Supreme Court's expansive reading of the Interstate Commerce Clause), and Congress surely has the right to make amends, even partial amends.

To those who argue that given exclusive representation there can be free riders and union security arrangements are therefore necessary to prevent unfair free riding, I reply that it can never be proven that any worker free rides on any collective bargaining agreement. A free rider is one who gets net benefits from some collective action and does not have to pay for them. Similarly, a forced rider is one who suffers net harms from some collective action and who is nevertheless forced to pay for them. Even if one grants

that unions can raise the wages and salaries that are paid to some workers, it does not follow that even those workers, on a net basis, gain from union actions. Costs and benefits are inherently subjective. Suppose a worker gets a \$10 wage increase due to a union's representation. No third party can prove that the \$10 increase benefits that worker more than, less than or the same as the cost that is imposed on that worker by, say, the disutility the worker suffers because of having to associate with the union for any purpose. Any worker accused by a union of being a free rider can argue, with just as much rigor, that he/she is a forced rider. Government has no right to make that determination for any worker. Put another way, the unions' free rider argument assumes a convergence of worker interests and preferences that cannot be shown to exist.

Finally, significant empirical studies have been done which suggest that, when cost of living and state and local taxes are taken into account average workers in right-to-work states are significantly better off in measurable pecuniary terms than their counterparts in non-right-to-work states. A good example is the study by W. Robert Reed, "How Right-to-Work Laws Affect Wages," 24 *Journal of Labor Research* 713 (2003). I doubt that unions ever confer net benefits on which anyone can free ride.

For these and other reasons I wholeheartedly endorse HR 500 and recommend its speedy enactment.

Addendum:

I hereby attest that I have not received any federal grants or contracts within the preceding two years.

Testimony of Fred Feinstein
University of Maryland

**Before the House Small Business Committee's
Subcommittee on Workforce, Empowerment,
and Government Programs**

September 8, 2005

My name is Fred Feinstein and I am pleased to be appearing before this distinguished Committee today. I am currently a Visiting Professor and Senior Fellow at the University of Maryland, School of Public Affairs. From March of 1994 to November 1999 I served as General Counsel of the National Labor Relations Board (NLRB). As General Counsel, I had responsibility for enforcing the National Labor Relations Act through the prosecution of violations of the Act. My testimony today will focus on the National Labor Relations Act as it applies to union security agreements, as well as the legal and broader public policy issues raised by the bill you are considering today.

The basic law on union security agreements is clear and has been in effect since enactment of Taft Hartley more than fifty years ago. The law has been clarified by the Supreme Court in *NLRB v. General Motors* in 1963 and further clarified by the Supreme Court in the 1988 *Beck* case.

Federal law prohibits compulsory unionism. No individual can be forced as a condition of employment to join a union; this is well established and does not require further legislation. The only question raised by this legislation is whether it is sound public policy for Federal law to place limitations on the ability of employers and unions to negotiate voluntary agreements about how a union can be compensated for services it is required under Federal law to provide.

The law also is clear that unions do not have the option of declining to represent employees who do not wish to pay for union services. Under the National Labor Relations Act a certified union must provide fair representation to all employees in a bargaining unit, regardless of their views about the union. Once it is certified that a majority of employees seek union representation, the union must fairly and evenhandedly represent each employee, whether or not an employee supports the union and whether or not the employee is a member of the union. The union must represent each employee with the same degree of diligence. This is not a trivial obligation.

Regardless of the obligation to represent all employees with equal diligence, under current law, Section 14b of the National Labor Relations Act allows states to restrict the freedom of employers and unions to enter into a contract requiring employees to contribute to the cost of representation expenses. The bill being considered today would impose this restriction on the 28 states that have chosen not to adopt so-called right to work laws. It would establish a national prohibition on the ability of employers and unions to voluntarily negotiate agreements requiring employees covered by that agreement to compensate a union for reasonable representation expenses. Union security agreements would be prohibited, not just in the 22 states that have so-called right to work laws, but nationwide.

This further restriction on the ability of unions to charge for representation services would undermine the ability of unions to improve the working conditions of those they represent. There is significant evidence that the benefits of union representation are substantial, and these benefits are available equally to all workers covered by the union contract, whether or not they are union members. According to BLS, wages of workers covered by union contracts are 28 % higher than wages of workers who do not have union contracts. Workers covered by union contracts are far more likely to have health insurance and guaranteed pensions, and the quality of both is likely to be higher, than for workers who do not have the protection of union contracts. Most workers who do not have union contracts are "at will" employees who can be fired at any time for almost any reason, or for no reason. In 95% of union contracts, by contrast, workers can only be fired for just cause and typically have access to a grievance and arbitration procedures.

The benefits of a union contract are valuable but they are not free. Further restricting the ability of unions cover costs would undermine the ability of unions to improve the working conditions of those they represent.

It is also important to note that under Federal law today the fee that a union can charge all employees includes only actual representational expenses. This includes expenses for such things as grievance and arbitration representation or the negotiation of collective bargaining agreements. The representation fee cannot include expenses for activities that are not representational in nature. For example, an agency fee cannot include expenses related to support for a political candidate or activities to promote legislation not related to collective bargaining. The amount charged must be reasonable and is subject to review and challenge. Unions are required to maintain expense records that must be made available to employees. If an employee believes a fee is excessive or otherwise inappropriate, the employee has the right to challenge the fee.

These legal requirements related to the agency shop are the law today in United States. The bill you are considering would change that law to further limit a unions ability to cover its expenses without changing its obligation to represent all employees in the unit it is certified to represent. States that today allow union security agreements would be prevented from allowing unions and employers to negotiate such agreements.

It is also important to view this legislation in the broader context of concerns about labor law today. Passage of this bill would add to the burdens that workers already endure when they seek to form unions and bargain collectively. According to Human Rights Watch, workers in the United States today routinely face significant obstacles when they try to form a union, even though it is their fundamental human right to do so. The National Labor Relations Act explicitly guarantees a workers' right to form a union and bargain collectively, but in far too many instances today, attempts by workers to gain union representation are met with intense employer opposition that lead workers to quite understandably conclude they lack a meaningful right to union representation. Employers and anti-union consultants have developed sophisticated strategies that take full advantage of the inherent opportunities an employer has to influence the actions, perceptions and choices of its employees. Far too often workers reasonably decide that advocating unionization is simply not worth the trouble they will almost surely face. The experience of workers in many organizing campaigns leads them to conclude that the choice regarding unionization is not the free one guaranteed by the NLRA.

According to reputable sources approximately 50% of workers today say they would join a union if they had the chance, yet only approximately one quarter of that number actually are represented by unions. I respectfully suggest that this Subcommittee should be concerned about the law's failure to deliver on its explicit promise to meaningfully protect the fundamental employee right to organize a union and bargain collectively.

I believe unions are good for workers and good for this country. I think there is substantial evidence collective bargaining leads to better benefits and improved working conditions. In states with the lowest rates of unionization wages are lower, working conditions are worse (as measured by workplace fatality rates), the incidence of poverty is higher, public education is less well funded, teachers are paid less, the percentage of the population without health insurance is higher, and voter participation is lower. Unionization has been proven over time to be a reliable route into the middle class for millions of workers. There are also many on the management side who would agree that collective bargaining has helped them succeed as employers.

I am concerned about the shrinking reach of collective bargaining and the resulting decline in benefits and working conditions. The failure of federal law to adequately carry through on its promise of protecting the right to organize and engage in collective bargaining has meant that millions of workers who favor union representation do not have a meaningful opportunity to exercise that choice. I believe this failure is today's most significant labor policy concern.

In conclusion, I believe the right of employees to decline union membership is adequately protected under existing law. Under federal law an employee cannot be required to join a union. The legislation under consideration here today would not change these legal requirements but would further restrict the right of employers and employees to negotiate voluntary agreements that apportion the costs of representation equitably among all employees. A more pressing concern, not addressed by the legislation under review, is protecting the rights of employees who seek union representation.

Again, I appreciate the opportunity to appear before you today and welcome any questions.

**Testimony of George Galley
Before the House Small Business Committee's
Subcommittee on Workforce, Empowerment,
and Government Programs
on September 8, 2005**

Madam Chairman and members of the Subcommittee, thank you all for the opportunity to testify before you today, to share with you my personal experiences with the issue of forced unionism, and to explain why I hope Congress will act to pass a National Right to Work law.

I am employed as an electrician for Colt Manufacturing Company in Hartford, Connecticut, where I have worked for 44 years.

As you know, Connecticut does not have a state Right to Work law to protect Constitution State citizens. Workers like myself pay the price.

From 1961 until 1985, I was a member of the United Auto Workers of America union (UAW), the union that represented workers at Colt.

In 1985, the UAW called a strike against Colt. I followed the UAW's strike orders for one month and two days. After this time, I decided I needed to get back to work in order to provide for my family.

I believe there is no question I made the right decision. Had I not decided to get back to work, I would have been on strike for approximately four years with the rest of the UAW members.

At the conclusion of the strike, Colt rehired all striking employees. It was during this period when Colt handed out cards, which they asked each employee to sign. The cards authorized the company to automatically deduct union dues.

Because I was aware, unlike many employees at Colt, that there was an alternative to paying full union dues, I refused to sign the card and requested information about any other options available to me.

Despite my refusal to sign the union card, Colt kept deducting union dues from my paycheck.

This situation persisted for some time and, on more than one occasion, I demanded information on my alternatives from Colt. Despite my requests, I was never informed about my *Beck* rights and never received any response other than I had to sign the union dues authorization card.

Eventually, Colt stopped taking union dues out of my paycheck because I had continually refused to sign a union dues authorization card. I was fired later that year.

After my termination, I filed a charge with the National Labor Relations Board. After considerable delay, the Regional Director issued a complaint. I was reinstated to my employment at that time, but was not reimbursed for the pay that I had lost. My case was grouped with several other charges filed nationwide. Rather than being heard by an administrative law judge, the case went to the NLRB on motions for summary judgment. However, once briefing was completed, the case languished for nearly seven years. Ultimately, the Board ruled, but only after my attorney filed a petition for a *writ of mandamus* with the D.C. Circuit Court seeking to force the Board to rule. However, I lost my case when the Board finally made its decision.

Later, I appealed my case to the D.C. Circuit Court and received a new trial in Hartford, Connecticut, which I won.

I am now back on the job as a *Beck* objector, which supposedly grants me the right to withhold the portion of my union dues that would go to activities unrelated to collective bargaining. I am still forced to pay 72% of union dues as a "fee" to the UAW in order to keep my job.

Every month, under the threat of being terminated yet again, I am forced to write a check to the UAW brass for the so-called "privilege" of working at Colt Manufacturing.

Unfortunately, my experiences with the UAW have made me realize that once a worker becomes a *Beck* objector, that worker has no control over anything – even with the payment of union dues or so-called "fees" that are demanded by union officials.

I've found that if a worker does not march in lockstep with the union dogma, that worker's concerns are not taken into account.

Federal labor law continues to force me to fund an organization that purports to provide services – services that I don't want.

Worse yet, despite the fact I pay what they call my "fair share," I am given no voice in how my money is spent.

What I want is simple. I want nothing to do with the union.

That's why I'm urging Congress to pass the National Right to Work Act.

As I stated before, I have worked for Colt for 44 years, I am proud of the work I do and enjoy working for the company.

I resent very much the fact that I can be fired just for refusing to support an outside private organization. I do not believe that any American should be forced to pay a private organization just to hold a job and provide for his family.

Passage of the National Right to Work Act would give me the freedom to do my job without the threat of being fired for refusal to pay union dues, and decide for myself whether or not a union deserves my support.

I believe that decision should be mine.

Union officials claim that they provide a service to workers, but it should be up to individual workers whether or not they want that service.

Union officials are also very political, so no worker should be forced to fund an organization with beliefs contrary to his or her own.

I am glad that Congress has chosen to look at the issue of forced unionism, and its effects on independent-minded workers like me.

I believe it is time for Congress to pass the National Right to Work Act and end forced unionism nationwide.

**Testimony of Michael Butcher
Before the House Small Business Committee's
Subcommittee on Workforce, Empowerment,
and Government Programs
on September 8, 2005**

Madam Chairman and members of the Subcommittee, thank you very much for the opportunity to share with you today my personal experience with the federally approved practice of forced unionism.

It has been my hope for some time that Congress would work to pass the National Right to Work Act, and I am heartened that this Subcommittee has called a hearing on the subject of forced unionism.

I can tell you, there is no question in my mind that America needs a National Right to Work law.

It's been stated before that more than eight million American workers are forced to pay union dues or so-called "fees" as a condition of employment.

I was one of those workers.

I am an engineer employed by The Boeing Company, where I have been continuously employed since shortly after receiving a Bachelors of Science in Aeronautical and Astronautical Engineering from Purdue University in 1986.

When I joined Boeing, union membership was completely voluntary.

That all changed in August of 2000, which was shortly after the Society of Professional Engineering Employees in Aerospace (SPEEA) union became an affiliate of the AFL-CIO.

The first thing the AFL-CIO did was send Richard Trumka out to personally take over contract negotiations for SPEEA. Trumka's number one demand was that Boeing require every professional employee to pay union dues or so-called "agency fees" as a condition of employment. He made it clear that no contract without "agency fees" would be acceptable, no matter how good the offered wages and benefits were.

From this point on, in order to receive a paycheck every other week, I was forced to pay dues, just for the so-called privilege of trying to earn a living in my chosen career field. I was not unique either, because thousands of my fellow coworkers who had historically not been SPEEA members were also forced to pay union dues.

Regardless of whether or not I thought union membership benefited me; regardless of whether or not I agreed with the union's politics; and regardless of whether

or not I agreed with how SPEEA spent my union dues or so-called "agency fees"; I was forced to pay or I would have lost my job. In fact, several engineers at Boeing, including a friend of mine, had their employment terminated by union request because they refused to pay dues.

I think this is just plain wrong, and that's why I am here today.

Like many engineers at Boeing, I was recruited from outside Washington State, and I did not learn that the engineering community had a union until my first day on the job. It was never my expectation to be part of a union; therefore, I quickly declined the opportunity to join SPEEA.

Nothing has happened during my career to change my initial impression concerning the "benefits" of union membership. In fact, it's been my experience that the union has only been a detriment to my career, and the services they claim to provide are of absolutely no value to me.

Furthermore, I find the nonrepresentational activities of the union and its AFL-CIO affiliates to be inconsistent with my beliefs and values. I, therefore, have no interest in funding those activities.

It is true that under the U.S. Supreme Court *Communications Workers v. Beck* decision, union officials cannot force employees like me to pay union fees for politics or activities unrelated to monopoly bargaining. My personal experience, however, is that this protection is next to useless.

You see, as an employee at Boeing, I have learned that SPEEA has very little incentive to abide by the law, and when given the opportunity to force myself and thousands of my coworkers to pay full union dues, the union failed to comply with its obligations under *Beck*.

First, the union unlawfully notified me and others that *Beck* objections were subject to approval and that an objector would have to "state your reasons" for objecting. Furthermore, by choosing to exercise my *Beck* rights, SPEEA's unlawful response was that I would not have access to union programs I paid for with my so-called "agency fees," including assistance with contract questions, transfers, training programs, clearance issues, classification appeals and other items covered by the collective bargaining agreement.

SPEEA also forced me to go through a frustrating scheme that discouraged me from challenging SPEEA's expenditures, including repeatedly giving me a breakdown of union expenses that was not performed by an independent audit as the law requires.

Amazingly, SPEEA's breakdown charged 100% for a number of activities that were either non-chargeable, such as legislative and public affairs activities, or were so

vague in their description that a potential *Beck* challenger could not tell what the expense was for.

The events I have described led me and several of my colleagues to file a series of complaints with the National Labor Relations Board, resulting in only a minor "slap on the wrist" for SPEEA despite continued and repeated violations of the union's obligations under *Beck*.

I came to find out that union officials know most workers are not aware of their rights under *Beck*, and they set up roadblocks and "red tape" so that workers that are aware of their *Beck* rights will be discouraged from exercising those rights.

Even if a worker succeeds in his or her complaint with the NLRB, unions are rarely given any major penalties.

I've also found that even if unions eventually have a lawful and "legitimate" audit performed by an outside organization, the audit basically just ensures that all the union's expenses are accounted for. An auditor generally relies on the union to determine which expense items are chargeable and the chargeable portion of those items is largely based on union timesheets. But no one ever audits those timesheets, so union staff can and do claim 90% or more of the time as chargeable, even if they're spending most of their time on politics.

The message I received from SPEEA was clear. They wanted me to pay up and shut up, and they would do everything they could to "keep me in line" by discouraging me from exercising *Beck* rights by any means they thought they could get away with. SPEEA wanted my full union dues, and they made it clear I had no say in what they would do with my money.

Three years ago, I gave up on the *Beck* process and became a religious objector. Since then SPEEA has tried to have me fired twice. Again, I am not unique, since I personally know several other religious objectors that the union has tried to have fired as well.

The fact is, only a National Right to Work law can protect employees from the type of coercive tactics I have experienced with SPEEA.

That's why I believe federal labor law is long overdue for a change.

It is my opinion that federal labor law assumes individual workers -- like me -- are incapable of knowing what is best for ourselves.

That's why I think the provisions in federal law authorizing forced-union dues are condescending and harmful to me and millions of other American workers.

I believe if the National Right to Work Act was passed and workers like me were given the choice whether or not to join a union, the simple question individual workers would ask themselves would be: "Does union membership benefit me?"

This is the same question people ask themselves when deciding to join any organization, whether it's a local Rotary Club, or a church.

If union membership were a benefit, and the union didn't work against principles I believe in, I would not hesitate to pay union dues.

That, of course, is my right.

The fact is, it should also be my right to refuse to pay union dues.

By allowing union officials to force workers to pay union dues or so-called "fees," federal law has hurt the individual worker.

Union officials purport to speak for every worker they claim to represent, but the practice of compulsory unionism allows union officials to ignore and abuse those very same workers.

Regardless of workers' differences of opinion with union officials, they are forced to pay up and shut up.

My own experiences with SPEEA made it clear they want my money and nothing else.

Union officials would be more responsive to the needs and wishes of all the workers they represent if workers had the right to withhold payments of union dues, and they would be far less likely to spend their members' union dues on radical politics and causes over their members' objections.

If the National Right to Work Act is passed, union officials would have to truly listen to all the workers they purport to represent.

That's why I am speaking before you today in favor of the National Right to Work Act.

It is my hope that Congress will do more than just hear about the injustices of forced unionism today.

It is my hope that Congress will take steps to end compulsory unionism.

Testimony of George C. Leef
 Committee on Small Business, Hearing on the National Right to Work Act
 September 8, 2005

Representative Musgrave and other members of the Committee, my name is George Leef. I am the Director of the John W. Pope Center for Higher Education Policy in Raleigh, North Carolina. Long before I took an interest in higher education issues, I was interested in labor law, and I thank you for the opportunity to address the Committee today on the state of federal law on labor relations. That was a subject I paid great attention to when I was in law school and one that I have subsequently written about on several occasions. Back in 1990, I wrote a paper entitled ³The Case for a Free Market in Labor Representation Services² which was published in Cato Journal, and a copy of which has been provided for you. More recently, I wrote a book on the history of the Right to Work movement, *Free Choice for Workers*, which explains what our labor relations statutes say and why I find them to be inappropriate for a free society. The book has just been published by Jameson Books.

In my testimony, I will discuss the origin and provisions of the National Labor Relations Act, the keystone in federal labor policy.

Historically, laws pertaining to labor, including union representation, were matters for state government. That is because the Constitution limits the power of Congress to the regulation of interstate commerce, and the particulars of the relationship between employer and employee were not regarded as falling under the Founders¹ meaning in the phrase ³interstate commerce.² The states for the most part, and in my view correctly, left questions of labor relations to the common law principles of contract, tort, property and agency.

During the Great Depression, the idea that labor relations law was not properly a concern of the federal government was abandoned. Organized labor had strongly backed Franklin D. Roosevelt in the 1932 election and in office, FDR was quite willing to repay the favor with legislation desired by union officials. The result was the passage of the National Labor Relations Act (NLRA) in 1935, which federalized labor relations law.

Just in passing, I'll say that some eminent legal scholars regard the NLRA as both unconstitutional and extremely bad policy.

The NLRA created a host of unique powers that take freedoms away from both workers and employers in order to assist union officials in organizing and maintaining their unions. For the present, I'll mention just two. First, the law establishes a procedure for union elections wherein workers may vote for representation by a union sometimes with a choice between unions or no union representation. Under the law, the winning

union becomes the exclusive bargaining representative of all the workers in the bargaining unit, thereby forcing those who wanted a different union or no union to accept the victorious union as their representative. Furthermore, the results of that election are binding indefinitely and cover subsequently hired individuals. Thus, the law transforms which had formerly been and should be a matter of personal choice into a collective decision that is quite difficult to reverse. Nowhere else in American law is a person denied the freedom to choose whether he will represent himself or decide exactly whom he wants to represent his interests.

Second, the NLRA makes it a legal offense an ³unfair labor practice² for an employer to fail to bargain ³in good faith² with a certified union. Almost always, one of the first orders of business once a union has been certified is for its officials to negotiate a ³union security² agreement with the management. Those agreements state that workers in the bargaining unit must pay the union's dues and obligate the employer to terminate anyone who does not. While employers are not legally compelled to consent to the demand for such a mandatory dues payment provision, refusal to do so can lead to costly legal proceedings with the National Labor Relations Board. This is, therefore, bargaining² with one side holding a gun. Combined with exclusive representation, we see how the law promotes compulsory unionism.

Widespread abuse of power by union officials during and after World War II led to the passage of the Taft-Hartley Act in 1947, amending the NLRA in several ways, most significantly in recognizing that states could choose to enact what are called Right to Work laws that shield workers against ³union security² agreements by stating that a worker cannot be fired for a refusal to pay union dues. To date, 22 states have enacted such legislation and the question before the Committee is whether a National Right to Work Act would be wise. I believe that it would be.

First, as a moral proposition, I maintain that no one ought to be compelled to pay for the services of any private organization he has not voluntarily agreed to join or contract with. Many union-represented workers object to the political uses of their dues money, for example; others feel that union officials do little or nothing that is of benefit to them in their jobs. Compelling them to pay dues is just as objectionable as compelling someone to pay fees for, say, internet service they don't want.

Second, as a practical matter, right to work protection helps to make union officials more accountable. Where workers can simply stop paying dues if they become disenchanted with what the union is doing, the discipline on union officials is much stronger than if the worker has no recourse except to quit his job.

Passage of a National Right to Work Act would be an important step toward the restoration of a labor policy that is consistent with a free society. Further steps would need to be taken to reach that goal, but this is a useful one that I enthusiastically endorse.

**Testimony of John McNicholas
Before the House Small Business Committee's
Subcommittee on Workforce, Empowerment,
and Government Programs
on September 8, 2005**

Madam Chairwoman, and members of the Subcommittee, I appreciate very much the opportunity to testify before you in favor of H.R. 500, the National Right to Work Act.

There's no doubt in my mind that this legislation is important, and I agree with the statement: "No worker should be forced to pay union dues or so-called 'fees' to a labor union just to get or keep a job."

That's why it is my hope that Congress will work to pass H.R. 500.

Congress should pass the National Right to Work Act, not only to return freedom to individual workers but also to ensure there is no compulsory unionism in the American economy.

I believe that Right to Work is good for employers and employees alike, and I believe my experience as CEO of Penloyd, LLC supports this viewpoint in a very tangible fashion. If Oklahoma was not a Right to Work state, I might not be testifying before you today as CEO of Penloyd.

In 2003, I became aware that Oklahoma Fixture Company in Tulsa, Oklahoma, had filed for Chapter 11 bankruptcy. The company employed workers represented by the Carpenters union and the Painters union. I joined a team and considered investing in the turn around opportunity.

After an extensive due diligence process, our team decided the company could become profitable again with good management decisions and some structural changes.

Before we make an investment, we assess risk factors that could cause failure. We identified the risk that our workforce would not be willing to adapt quickly to changes required to survey international competition because the workers were union members.

I do not believe we would have accepted that risk if Oklahoma was not a Right to Work state.

On June 25, 2003, our team purchased the assets of Oklahoma Fixture Company, and created a new company Penloyd, LLC.

Penloyd immediately hired most of the existing employees of Oklahoma Fixture Company.

Since the purchase of the assets of Oklahoma Fixture Company, Penloyd has grown from approximately 250 employees to over 500 employees. Several months after our acquisition, in a very important event for the company's future success, our employees chose to decertify the existing unions in a free and fair election at their workplace.

Penloyd specializes in retail fixture manufacturing. We design, produce, warehouse, and ship products to retail stores throughout the United States.

Some of our more well-known retail clients include Dillard's Department Stores, Federated Department Stores, and Eddie Bauer.

I can also tell you that Penloyd is looking for additional opportunities to rehabilitate and develop existing manufacturing businesses in the future. If we are successful in this effort, we will create more jobs for the American economy.

So at a time when many non-Right to Work states are losing manufacturing jobs, Penloyd is seeking to create new American manufacturing jobs.

There's no doubt that taking on a business that had previously struggled is no easy task, and this fact is well-known to our investors and customers.

In acquiring Oklahoma Fixture Company, we needed to have as many positive factors going for us as we could before committing capital. One of those factors was definitely that Oklahoma was a Right to Work state.

If we had faced union officials who were militant and confrontational, championing arcane work rules, and decreasing management's decision-making flexibility and ability to make the business more productive, we could not have been successful in saving a business and creating approximately 250 new jobs.

I believe that the ability of union officials to force rank-and-file workers to pay union dues -- or so-called "fees" -- in non-Right to Work states sometimes leads to this militancy, support of arcane work rules, and unnecessary confrontation with management.

It's certainly reasonable to deduce that union officials that can force their members to pay union dues have little or no incentive to take their members' concerns completely into account. As long as union officials keep 51% of their membership happy, the interests of the remaining 49% may be considered a lower priority.

That's why I believe rehabilitating an existing business is much easier, much cheaper, and much more efficient in states with Right to Work laws, which create an

environment where union officials work with management to help achieve goals common to both the business and to rank-and-file workers.

In Right to Work states, I believe union officials are much more likely to be concerned with keeping their members happy and may not oppose a much-needed management decision that workers see as benefiting everyone in the long run.

This is the way it should be, and if Congress would pass a National Right to Work law, it would be a huge step in the right direction.

I know I am not just one of a handful of business leaders who feel this way. I think many CEOs and business owners have similar outlooks and experiences to my own as CEO of Penloyd.

That's why the case that Right to Work laws are good for both labor and management is persuasive.

Of course, union officials need union dues to be successful, but I do not believe that Congress should allow union officials to force workers to pay union dues under the threat of being fired.

I feel that union officials should have to earn their rank-and-file members' union dues. This way individual members might be given more control over their union's activities, and union officials might be deterred from abusing their own membership.

A union official may temper confrontational opposition to common sense change, knowing that rank-and-file members would be able to withhold payment of union dues if they feel union officials were not acting in the workers' best interests.

I believe that when individual workers are given liberty, it is good for business and employees alike. In my experience I can tell you Oklahoma's Right to Work Law was a major factor in my decision to acquire the assets of Oklahoma Fixture Company and helped make it possible for the creation of approximately 250 jobs in a little over two years.

That's why my experience as CEO of Penloyd, and my own personal belief in freedom leads me to support the National Right to Work Act.

I hope Congress will work to pass this important legislation.

Union 'Representation' Is Foisted On Workers -- Not Vice-Versa

February 2004

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Union 'Representation' Is Foisted On Workers -- Not Vice Versa

Big Labor propaganda against Right to Work laws and legislation often implies, and sometimes claims flat out, that federal labor law "forces" union officials to negotiate contract terms for employees who choose not to join a union.

For example, a one-page anti-Right to Work screed that was recently published in the AFL-CIO's national newsletter brazenly contends:

"By [federal] law, unions must represent all workers – members and nonmembers – in contract negotiations and other workplace issues."¹

On its face, this claim is simply false.

As *Roberts' Dictionary of Industrial Relations*, a basic reference book for any student of U.S. labor law, shows clearly, nothing in federal law prevents union officials and employers from negotiating contracts in which "the employer recognizes the union for its members only."

Under the entry: "Bargaining Agent, for Members Only," *Roberts' Dictionary* even offers a sample members-only contract clause: "The employer recognizes the union as the collective bargaining agency for all of its employees who are members of the union on all matters affecting those employees who are members."²

Former Pro-Big Labor NLRB Chairman Admits: The Law 'Permits 'Members-Only' Bargaining'

In his 1993 book *Agenda For Reform*, Stanford law professor and former union lawyer William Gould, who went on to serve for four years as the Clinton-appointed Chairman of the National Labor Relations Board (NLRB),

¹ "'Right to Work' States Are Really Restricted Rights States," *America@Work* (AFL-CIO), February 2003, p. 21.

² Harold S. Roberts, *Roberts' Dictionary of Industrial Relations: Revised Edition*, Bureau of National Affairs, Washington, D.C., 1971, p. 45.

acknowledged that federal law "permits 'members-only' bargaining without regard to majority rule or an appropriate unit and without regard to exclusivity."³

The permissibility of members-only bargaining does not rest solely on the expert testimony of Roberts and Gould. The U.S. Supreme Court has repeatedly recognized members-only contracts as legal and binding.

For example, in delivering the opinion of the court for the 1938 case *Consolidated Edison Co. v. NLRB*,⁴ Chief Justice Charles Evans Hughes was crystal clear:

Under Section 7 [of the National Labor Relations Act] the employees of the companies are entitled to self-organization, to join labor organizations and to bargain collectively through representatives of their own choosing. The 80 per cent of the employees who were members of the [International] Brotherhood [of Electrical Workers union] and its locals had that right. They had the right to choose the Brotherhood as their representative for collective bargaining and to have contracts made as the result of that bargaining.

On this point the contracts speak for themselves. They simply constitute the Brotherhood the collective bargaining agency for those employees who are its members. . . . Upon this record, there is nothing to show that the employees' selection as indicated by the Brotherhood has been superseded by any other selection by a majority of employees of the companies so as to create an exclusive agency for bargaining under the statute, and in the absence of such an exclusive agency the employees represented by the Brotherhood, even if they were in the minority, clearly had the right to make their own choice.

³ William Gould, *Agenda for Reform: The Future of Employment Relationship and the Law*, MIT Press, Cambridge, Mass., 1993, p. 164.

⁴ 305 U.S. 197.

Twenty-three years later, the Supreme Court resoundingly confirmed that members-only bargaining has remained permissible under the National Labor Relations Act (NLRA) since the substantial amendments of 1947 and 1959.

In 1961's *International Ladies' Garment Workers' Union v. NLRB*,⁵ the Court found that recognizing a minority union as an exclusive representative violated the NLRA as amended by 1947's Taft-Hartley Act, but also found that bargaining with a members-only union would not violate the amended NLRA if there were no exclusive representative.

The following year, Justice William Brennan voiced the opinion of the unanimous Court in *Retail Clerks v. Lion Dry Goods*⁶ that members-only contracts are enforceable in federal court:

Section 301(a) of the Labor Management Relations [Taft-Hartley] Act, 1947, which confers on federal district courts jurisdiction over suits "for violation of contracts between an employer and a labor organization representing employees in an industry affecting" interstate commerce, applies to a suit to enforce a strike settlement agreement between an employer in an industry affecting interstate commerce and local labor unions representing some, but not a majority, of its employees.

The term "labor organization representing employees," as used in 301(a), is not limited to labor organizations which are entitled to recognition as exclusive bargaining agents of employees.

The precedents are very plain that, contrary to union officials' claims, federal law entitles them to negotiate members-only contracts.

So why is it that in recent decades union officials have ceased to bargain contracts covering only union members, and instead demand that every contract

⁵ 366 U.S. 731.

⁶ 369 U.S. 17.

with an employer recognize one union as the "exclusive" bargaining agent for members and nonmembers alike?

The fact is that monopoly-bargaining privileges, which are granted to union officials by federal law and often euphemistically referred to by them as "exclusive" representation, are something they deeply covet.

"Exclusive" representation gives union officials uncontested power to negotiate over pay, promotions, work rules, and layoffs for all workers in a bureaucratically-determined "unit."

Under "exclusive" representation, union nonmembers cannot bypass the union and bargain on their own behalf, even if they have good reason to believe they could get a better contract that way.

The Supreme Court acknowledged in the 1944 *J.I. Case* decision⁷ that many workers could get better pay and benefits by bargaining individually, but found that federal labor law would not permit such bargaining without union officials' consent. The "practice and philosophy of collective [monopoly] bargaining looks with suspicion on such individual advantages," explained the Court opinion.

Even where an "exclusive" bargaining contract does not include any provision authorizing the forced collection of dues from nonmembers, or where such provisions are out-and-out forbidden by a state Right to Work law, "exclusivity" is an effective tool for corralling employees into a union.

But the fact that the law empowers union officials to seek and obtain monopoly-bargaining privileges in no way means that a union may not alternatively seek to be recognized as the bargaining agent only for its members employed at a particular enterprise. Moreover, there is nothing in the law to prevent a union that already has an "exclusive" bargaining contract to renounce that privilege and seek to bargain for its members only.

At least since the 1960's, union officials have apparently never taken advantage of these options, because a monopoly is what they have decided they want.

⁷ 321 U.S. 332 (1944).

**Repealing Government-Authorized
'Exclusive' Bargaining Helped Boost
Economies of New Zealand, Australia**

For the past seven decades, U.S. labor law has exhibited such a profound bias in favor of union monopoly, and so thoroughly reinforced union officials' self-serving claims that monopoly unionism is the only kind of unionism talked about, that the very idea of members-only bargaining may seem odd to some Americans.

However, in recent years even some pro-Big Labor academics and retired union officials have admitted they doubt whether workers benefit from the monopoly-bargaining system.

Writing in the normally rabidly pro-forced unionism journal *WorkingUSA*, law professor James Pope, former local textile workers union boss Peter Kellman, and former electricians union national organizing director Ed Bruno acknowledged that monopoly bargaining constricts workers' freedom:

Under Section 9 of the NLRA, . . . [t]he presence of a majority union extinguishes the right of dissenters to bargain as individuals or to form their own, minority unions. . . . [T]houghtful, pro-union . . . analysts contend that when a majority union is insulated against competition, its officers may tend to ignore the interests of minorities. . . .

[T]he fact that the overwhelming majority of industrial countries reject exclusive representation . . . should give us pause. At a minimum, we should reassess our commitment to the principle, and consider possible alternatives and modifications that might better serve labor freedom.⁸

⁸ James Pope, Peter Kellman, and Ed Bruno, "Toward a New Labor Rights Movement," *WorkingUSA*, Spring 2001, pp. 8-33.

At least since the collapse of the Soviet Empire more than a decade ago, members-only bargaining has in fact been by far the predominant form of unionism on the world scene.

And since 1991, at least two Free World countries that formerly authorized "exclusive" bargaining, New Zealand and Australia, have switched to systems in which individual workers may bargain for themselves. Both countries enjoyed above-average growth in production, productivity, and personal income in the years after they made the change.⁹

Even without a legal change similar to those experienced by New Zealand and Australia, U.S. union officials could engage in members-only bargaining now if that were what they wanted. International experience shows that it is a viable alternative.

**'Aims of the Unions Do Not
Justify Their Exemption from
The General Rules of Law'**

Therefore, union officials' argument that state Right to Work laws allow union nonmembers a so-called "free ride," and unions have no choice but to bargain on such nonmembers' behalf, is simply phony.

In fact, under America's biased labor law the millions of union-"represented" workers who are not union members, or have joined only under the duress of a compulsory-unionism contract clause, are best described as "captive passengers." No matter how deeply convinced such workers are that union monopoly bargaining is to them a detriment, not a benefit, they cannot refuse it without also giving up their jobs.

⁹ For information on New Zealand, see, e.g., Wolfgang Kasper, "Free to Work: The Liberalization of Labor Markets in New Zealand," on pp. 149-214 in *Unions and Right to Work Laws: The Global Evidence of Their Impact on Employment*, edited by Fazil Mihar, The Frazer Institute, Vancouver, Canada, 1997. In 2000, a pro-Big Labor government revised New Zealand's labor law, but retained protection for the individual employee's freedom to negotiate his or her own contract even in a unionized workplace.

The Australian Workplace Relations Act of 1996 banned compulsory unionism and also empowered individual employees to opt out of Big Labor-dictated contracts and instead negotiate directly with their employer.

For concise information on Australia's economy after 1996, see Australian Department of Transport and Regional Services, "Stronger Regions, a Stronger Australia: Our Work So Far," last updated September 20, 2002, (http://www.dotars.gov.au/regional/statement/our_work.htm).

Existing federal labor policy was not designed to be even-handed.

It is based on the premise that the public interest is best served by collectivizing working people – by forcibly organizing them into unions. As a result, labor law is written to place the power of government on the side of the union organizer and against the independent citizen.

In *The Constitution of Liberty*, the late Nobel Laureate economist Friedrich von Hayek tersely summed up union bosses' privileged status since the New Deal: "The present coercive powers of unions thus rest chiefly on the use of methods which would not be tolerated for any other purpose and which are opposed to the protection of the individual's private sphere."¹⁰

Removing the federal sanction for monopoly bargaining while safeguarding employees' freedom to form unions that represent their members only would subject union officials to the same rules that already apply to officers of other private groups and return personal freedom to the workplace.

In a truly free society, the individual bargaining that takes place in nonunion workplaces and members-only union bargaining would compete on a level playing field, and each employee could determine which system is best suited to his or her needs. But there would be no place at all for government-authorized monopoly bargaining.

¹⁰ F.A. von Hayek, *The Constitution of Liberty*, University of Chicago, Chicago, 1960, p. 274.

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* * *

Nothing here is to be construed as an attempt to aid or hinder the passage of any bill before Congress or any state legislature.

THE STANDARD OF LIVING IN RIGHT TO WORK STATES

by

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Introduction

Twenty-two states now have Right to Work laws. In these states employees do not have to financially support a union with monopoly bargaining privileges at their work place in order to keep their jobs. In states that do not have Right to Work laws, an employee of a unionized firm must financially support the union in order to get or keep his or her job. Individual employees in these states are coerced into paying union dues, regardless of whether they desire union representation. Union officials often defend this coercion on the grounds that employees are better off in states without Right to Work laws. They point to evidence that money incomes are higher in the 28 forced-unionism states.

But to answer the question of whether employees are better off in forced-unionism states, we must look beyond money income. Just as money income varies across regions, so do other factors that influence individual well being. Other tangible factors vary across regions, such as cost of living and the burden of taxation. To ascertain whether employees are really better off in forced-unionism states, we must compare money income after adjusting for cost of living and taxes. It is this adjusted income measure that captures the real purchasing power of employees' disposable income in the different states. Intangible factors that influence individual well being, such as freedom from coercion, also vary across regions. In the present study, we approach this issue utilizing a new data base and a different methodology than that utilized in previous studies.

A Literature Review

Two early studies addressing this issue compared after-tax real income in Right to Work states with that in forced-unionism states.¹ These studies found that money income was higher in forced-unionism states. However, once money income was adjusted for the cost of living and taxes, after-tax real income was higher in Right to Work states.

One of the criticisms of these early studies is that a cost of living index is more difficult to determine for an entire state than for individual cities. For example, my own state of Colorado includes some cities with an extraordinarily high cost of living, e.g. Boulder; and many communities with a very low cost of living, e.g. communities in the San Luis Valley. Lumping such disparate communities together under a single cost of living index may bias the analysis.

A more recent study by James T. Bennett addressed this criticism by using data at the city level.² The rationale is that cities across the country are likely to be more homogeneous than different communities within a state. Therefore, cost of living indexes calculated for individual cities are likely to be more comparable.

Bennett calculated adjusted household income, utilizing the data from *Places Rated Almanac*, by David Savageau and Ralph D'Agostino.ⁱⁱⁱ *Places Rated Almanac* provides data for household income and cost of living indexes incorporating state and local taxes for 329 Standard Metropolitan Areas (SMSAs). Bennett found that, on average, it cost 15 percent more to live in an SMSA in a forced-unionism state than it did in a Right to Work state. The adjusted income for two-income households in SMSAs in Right to Work states averaged \$64,070, compared to \$62,085 in forced-unionism states, a difference of \$1985.

Estimating the Standard of Living in Right to Work States and Forced-Unionism States

Clearly, it is crucial to use adjusted income, taking into account differences in cost of living and taxes, in comparing standards of living in Right to Work states and forced-unionism states. This study utilizes an approach similar to that in the Bennett study, comparing adjusted household income in SMSAs. However, the current study relies on a different data base, and introduces some refinements in methodology.

It is not possible to replicate earlier studies of this issue, such as the Bennett study, because of a lack of data. The U.S. Bureau of Labor Statistics no longer publishes the data series used in the early studies noted above. The last *Places Rated Almanac* was published in 2000, and there are no plans to publish an updated edition.

However, a new publication does provide the data necessary to calculate adjusted household incomes: *Cities Ranked and Rated*, by Bert Sperling and Peter Sanders.^{iv} In that publication, the cost of living indexes take into account the cost of food, health care, transportation, recreation, utilities, property taxes, housing prices and rents, and state and local income taxes, property taxes, and sales taxes.

SMSAs in Right to Work States and in Forced-Unionism States

The SMSAs in the present study differ from those in the Bennett study for several reasons. There are four SMSAs in the present study that were not included in the Bennett study. Of these four SMSAs, two are in Right to Work states (Auburn-Obelika and Shreveport), and two are in forced-unionism states (Corvallis and Nassau-Suffolk). Since the Bennett study was published, one state, Oklahoma, has enacted a Right to Work law. Therefore, four Oklahoma SMSAs (Enid, Lawton, Oklahoma City and Tulsa) that were labeled as forced-unionism SMSAs in the Bennett study are included among the Right to Work SMSAs in the present study.

In the Bennett study, seven SMSAs were omitted from the analysis because part of the SMSA lies within a Right to Work state, and part lies within a forced-unionism state. Six of these SMSAs are omitted from the present study for the same reason: Clarksville-Hopkinsville, Davenport-Moline-Rock Island, Fargo-Moorehead, Grand Forks, Kansas City, and Washington, D.C. However, one of these SMSAs, Fort Smith, which lies in

Oklahoma and Arkansas, is included in the present study because both of these states are now Right to Work states.

Cost of Living

The Sperling/Sanders data for cost of living is divided into three different attributes: Indexes and Taxes, Housing, and Necessities. The following table illustrates the cost of living for San Luis Obispo-Atascadero-Paso Robles, California. The cost of living index is a composite of all attributes expressed as an index against the national average of 100.

Table 1. Sample Cost of Living Table from San Luis Obispo-Atascadero-Paso Robles, California

COST OF LIVING SCORE: 5
RANK: 312

INDEXES AND TAXES	AREA	U.S. AVERAGE
Cost of Living Index	155.1	100.0
Financial Progress Index	66.5	100.0
Income Tax Rate	6.00%	4.625%
Sales Tax Rate	7.250%	6.474%
Property Tax Rate	\$11.1	\$15.6
HOUSING	AREA	U.S. AVERAGE
Median Home Price	\$380,130	\$160,100
Home Price Appreciation	18.2%	7.1%
Median Rent	\$917	\$670
Homes Owned	52.9%	63.9%
Homes Rented	33.3%	25.3%
Housing Affordability	42.0%	54.5%
NECESSITIES	AREA	U.S. AVERAGE
Food Index	112.4	100.0
Housing Index	236.1	100.0
Utilities Index	116.6	100.0
Transportation Index	111.5	100.0
Healthcare Index	112.0	100.0
Miscellaneous Cost Index	103.2	100.0

Source: Bert Sperling and Peter Sander, *Cities Ranked and Rated*, Wiley Publishing, Inc., Hoboken, N.J., 2004, p.71.

Adjusted Household Income

In the following tables, the adjusted household income is calculated for Right to Work states and forced-unionism states. Table 2 lists alphabetically the 133 SMSAs in the Right to Work states and their related data. Table 3 lists the 158 SMSAs in forced-unionism states and their related data. For each SMSA, the following data are listed: typical household income (unadjusted income), the cost of living index (which includes state and local taxes), and adjusted household income. (Household incomes for both Right to Work and forced-unionism states in the following tables are significantly lower than in the Bennett study because the data furnished in *Cities Ranked and Rated* cover all households, and not just two-income households, as was the case with the Bennett study.)

Table 2. Adjusted Household Income in SMSAs in Right to Work States

Metropolitan Area	State	Household Income	Cost of Living Index	Adjusted Household Income
Abilene	TX	\$37,944	75.7	\$50,124
Albany	GA	\$36,854	81.9	\$48,784
Alexandria	LA	\$33,022	80.4	\$41,072
Amarillo	TX	\$40,876	80.3	\$50,904
Anniston	AL	\$32,190	79.1	\$40,695
Asheville	NC	\$40,773	94.8	\$43,009
Atlanta	GA	\$37,878	95.4	\$39,704
Atlanta	GA	\$59,423	96.6	\$61,514
Auburn-Opelika	AL	\$30,615	89.2	\$34,822
Augusta-Aiken	GA-SC	\$40,794	84.7	\$49,163
Austin-San Marcos	TX	\$60,066	85.3	\$69,030
Baton Rouge	LA	\$42,753	95.0	\$45,003
Beaumont-Port Arthur	TX	\$38,803	80.0	\$48,504
Birmingham	AL	\$45,047	94.0	\$47,822
Bismarck	ND	\$43,662	88.8	\$49,169
Boise	ID	\$48,322	81.5	\$59,625
Brownsville-Harlingen-San Benito	TX	\$27,679	76.2	\$36,324
Casper	WY	\$45,555	86.7	\$52,543
Cedar Rapids	IA	\$54,695	91.6	\$59,711
Charleston-North Charleston	SC	\$42,473	100.0	\$42,473
Charlotte-Gastonia-Rock Hill	NC-SC	\$51,558	95.7	\$53,876
Charlottesville	VA	\$50,130	102.5	\$49,907
Chattanooga	TN-GA	\$41,671	87.1	\$47,843
Cheney	WY	\$45,476	92.5	\$49,155
Columbia	SC	\$48,503	89.5	\$54,193
Columbus	GA-AL	\$37,565	83.2	\$45,190
Corpus Christi	TX	\$38,789	80.3	\$48,550
Dallas	TX	\$56,153	95.0	\$59,266
Danville	VA	\$31,305	78.0	\$40,135
Daytona Beach	FL	\$35,521	86.5	\$41,065
Decatur	AL	\$40,227	82.1	\$48,998
Des Moines	IA	\$55,547	94.2	\$58,967
Dolhan	AL	\$35,089	80.6	\$43,505
Dubuque	IA	\$44,603	88.8	\$50,229
Duluth-Superior	MN-WI	\$39,939	91.5	\$43,649
El Paso	TX	\$31,932	83.1	\$38,426
Enid	OK	\$34,287	76.8	\$44,645
Fayetteville	NC	\$42,175	87.4	\$48,255
Fayetteville-Springdale-Rogers	AR	\$40,370	82.0	\$49,232
Flagstaff	AZ-UT	\$40,572	102.9	\$39,429

Florence	AL	\$32,788	78.1	\$41,451
Florence	SC	\$39,028	84.0	\$48,480
Fort Lauderdale	FL	\$44,247	113.9	\$38,847
Fort Smith	AR-OK	\$37,468	76.4	\$49,068
Fort Walton Beach	FL	\$41,400	88.6	\$46,727
Fort Worth-Arlington	TX	\$55,157	85.9	\$64,211
Gadsden	AL	\$31,480	77.8	\$40,437
Gainesville	FL	\$34,800	91.1	\$38,310
Goldensboro	NC	\$35,942	81.8	\$43,939
Greensboro-Winston-Salem-High Point	NC	\$46,430	81.6	\$50,668
Greenville	NC	\$34,395	87.0	\$39,534
Greenville-Spartanburg-Anderson	SC	\$42,830	89.4	\$47,855
Hattiesburg	MS	\$32,581	80.9	\$40,273
Hickory-Morganton-Lenoir	NC	\$41,734	85.8	\$48,584
Houma	LA	\$37,128	88.3	\$42,048
Houston	TX	\$55,892	91.8	\$60,867
Huntsville	AL	\$49,596	87.1	\$56,841
Iowa City	IA	\$48,432	87.7	\$49,572
Jackson	MS	\$46,856	79.1	\$59,236
Jackson	TN	\$42,715	83.3	\$51,279
Jacksonville	FL	\$45,336	89.0	\$50,942
Jacksonville	NC	\$43,448	83.2	\$52,221
Johnson City-Kingsport-Bristol	TN-VA	\$32,887	79.9	\$41,173
Jonesboro	AR	\$38,438	77.5	\$47,014
Killeen-Temple	TX	\$38,754	80.5	\$48,142
Knoxville	TN	\$40,072	87.2	\$45,954
Lafayette	LA	\$32,755	81.4	\$40,240
Lake Charles	LA	\$49,157	80.8	\$49,872
Lakeland-Winter Haven	FL	\$35,584	87.5	\$40,482
Laredo	TX	\$29,892	77.3	\$38,670
Las Vegas	NV-AZ	\$48,723	103.1	\$47,258
Lawrence	KS	\$39,088	95.6	\$40,887
Lawton	OK	\$37,990	81.2	\$46,786
Lincoln	NE	\$50,530	99.9	\$53,813
Little Rock-North Little Rock	AR	\$45,421	83.4	\$54,462
Longview-Marshall	TX	\$36,536	76.0	\$49,074
Lubbock	TX	\$37,470	80.2	\$46,721
Lynchburg	VA	\$38,368	85.3	\$44,880
Macon	GA	\$42,106	85.9	\$49,017
McAllen-Edinburg-Mission	TX	\$25,726	74.2	\$34,671
Memphis	TN-AR-MS	\$48,253	89.2	\$51,853
Miami	FL	\$39,604	108.8	\$36,401
Mobile	AL	\$37,313	87.3	\$42,741
Monroe	LA	\$35,118	85.6	\$41,026
Montgomery	AL	\$41,428	84.8	\$48,851
Myrtle Beach	SC	\$42,302	84.9	\$44,575
Naples	FL	\$57,326	123.0	\$46,607
Nashville	TN	\$51,379	92.3	\$55,685
New Orleans	LA	\$49,872	94.0	\$43,288
Ocala	FL	\$31,547	86.1	\$36,640
Odessa-Midland	TX	\$39,029	78.2	\$51,819
Oklahoma City	OK	\$40,347	84.3	\$47,861
Omaha	NE-IA	\$52,174	92.2	\$58,588
Orlando	FL	\$45,146	85.6	\$47,224
Panama City	FL	\$36,595	88.7	\$41,257
Pensacola	FL	\$35,989	88.0	\$42,010
Phoenix-Mesa	AZ	\$48,779	98.7	\$50,435
Pine Bluff	AR	\$33,714	79.1	\$42,622
Pocatello	ID	\$39,882	85.1	\$46,841
Provo-Orem	UT	\$51,589	101.8	\$50,687
Punta Gorda	FL	\$32,833	95.2	\$34,278
Raleigh-Durham-Chapel Hill	NC	\$56,436	103.6	\$54,475
Rapid City	SD	\$40,540	90.0	\$45,044
Reno	NV	\$54,011	111.2	\$48,671

Richmond-Petersburg	VA	\$52,306	84.1	\$55,586
Roanoke	VA	\$45,151	84.7	\$53,307
Rocky Mount	NC	\$32,401	85.3	\$37,965
Salt Lake City-Ogden	UT	\$56,636	97.3	\$58,208
San Angelo	TX	\$36,982	77.3	\$47,842
San Antonio	TX	\$43,228	82.8	\$52,208
Sarasota-Bradenton	FL	\$42,449	100.0	\$42,449
Savannah	GA	\$41,602	91.0	\$45,936
Sherman-Denison	TX	\$39,443	61.6	\$48,337
Shreveport-Bossier City	LA	\$38,129	78.5	\$48,572
Sioux City	IA-NE	\$42,492	84.5	\$50,286
Sioux Falls	SD	\$52,728	82.6	\$56,942
Sumter	SC	\$34,456	82.4	\$41,816
Tallahassee	FL	\$41,207	89.5	\$41,414
Tampa-St. Petersburg-Clearwater	FL	\$41,826	92.6	\$44,951
Texarkana	TX-AR	\$35,017	73.4	\$47,707
Topeka	KS	\$43,972	82.7	\$53,170
Tucson	AZ	\$40,663	86.0	\$41,513
Tulsa	OK	\$44,811	86.8	\$51,828
Tuscaloosa	AL	\$38,407	80.9	\$40,052
Tyler	TX	\$43,381	80.8	\$53,665
Victoria	TX	\$43,568	75.5	\$57,703
Waco	TX	\$39,285	78.3	\$50,186
Waterloo-Cedar Falls	IA	\$41,213	83.2	\$49,535
West Palm Beach-Boca Raton	FL	\$51,876	111.2	\$46,651
Wichita	KS	\$47,797	85.8	\$55,707
Wichita Falls	TX	\$36,732	78.9	\$47,786
Wilmington	NC	\$40,224	97.8	\$41,213
Yuma	AZ	\$31,811	68.5	\$36,058
SUM		\$5,543,543	11710.4	\$6,293,575
AVERAGE		\$41,681	88.0	\$47,320

Table 3. Adjusted Household Income in SMSAs in Forced-Unionism States

Metropolitan Area	State	Household Income	Cost of Living Index	Adjusted Household Income
Akron	OH	\$48,468	83.8	\$49,537
Albany-Schenectady-Troy	NY	\$48,861	110.0	\$44,419
Albuquerque	NM	\$45,403	94.8	\$47,995
Allentown-Bethlehem-Easton	PA	\$48,157	99.2	\$48,545
Altoona	PA	\$37,387	81.4	\$45,930
Anchorage	AK	\$70,833	118.5	\$59,775
Ann Arbor	MI	\$62,119	110.3	\$56,318
Appleton-Oshkosh-Neenah	WI	\$52,817	89.1	\$59,278
Atlantic City-Cape May	NJ	\$45,694	103.1	\$44,320
Bakersfield	CA	\$36,487	95.0	\$38,376
Baltimore	MD	\$55,887	106.9	\$52,289
Bangor	ME	\$36,147	94.4	\$38,291
Barnstable-Yarmouth	MA	\$50,114	141.7	\$35,366
Bellingham	WA	\$41,931	106.6	\$39,335
Billings	MT	\$41,554	90.3	\$46,018
Binghamton	NY	\$38,750	84.7	\$45,750
Bloomington	IN	\$39,395	94.9	\$41,512
Bloomington-Normal	IL	\$34,304	94.4	\$37,525
Boston	MA-NH	\$63,784	182.9	\$39,155
Boulder-Lafayette	CO	\$56,602	148.8	\$47,303
Bremerton	WA	\$47,689	108.1	\$44,116
Bridgport	CT	\$73,096	135.8	\$57,819
Buffalo-Niagara Falls	NY	\$43,785	87.6	\$49,983
Burlington	VT	\$52,027	109.2	\$47,644
Canton-Massillon	OH	\$41,834	90.9	\$46,022
Champaign-Urbana	IL	\$40,856	82.1	\$44,380
Charleston	WV	\$36,723	84.9	\$45,610

Chicago	IL	\$63,096	118.8	\$62,688
Chico-Paradise	CA	\$34,282	118.1	\$29,628
Cincinnati - Covington	OH-KY-IN	\$50,023	93.0	\$59,788
Cleveland-Lorain-Elyria	OH	\$46,630	99.6	\$46,817
Colorado Springs	CO	\$52,276	103.1	\$50,704
Columbia	MO	\$44,112	89.5	\$48,287
Columbus	OH	\$50,394	95.8	\$52,541
Corvallis	OR	\$48,802	109.0	\$44,588
Cumberland	MD-WV	\$31,176	79.0	\$35,463
Dayton-Springfield	OH	\$45,798	87.7	\$52,221
Decatur	IL	\$44,896	77.4	\$58,005
Denver	CO	\$62,886	118.9	\$52,974
Detroit	MI	\$55,418	101.5	\$54,588
Dover	DE	\$41,631	96.0	\$43,368
Eau Claire	WI	\$43,031	92.1	\$46,722
Elkhart-Goshen	IN	\$49,970	87.3	\$57,239
Elmira	NY	\$36,514	81.8	\$47,083
Erie	PA	\$40,848	65.9	\$47,689
Eugene-Springfield	OR	\$39,250	99.0	\$38,646
Evansville-Henderson	IN-KY	\$43,844	81.1	\$54,185
Flint	MI	\$48,868	86.5	\$54,915
Fort Collins-Loveland	CO	\$52,465	116.3	\$46,112
Fort Wayne	IN	\$48,088	83.6	\$57,535
Fresno	CA	\$35,635	103.6	\$34,397
Gary	IN	\$47,700	97.8	\$48,873
Glens Falls	NY	\$39,879	95.6	\$41,714
Grand Junction	CO	\$35,565	99.3	\$39,844
Grand Rapids-Muskegon-Holland	MI	\$53,279	83.5	\$56,983
Great Falls	MT	\$36,389	86.3	\$42,166
Gretey	CO	\$42,835	106.2	\$40,334
Green Bay	WI	\$52,905	93.7	\$58,482
Hagerstown	MD	\$42,480	91.5	\$46,437
Harrisburg-Lebanon-Carlisle	PA	\$48,289	81.1	\$53,007
Hartford	CT	\$59,970	113.1	\$53,024
Honolulu	HI	\$60,112	152.7	\$39,366
Huntington-Ashland	WV-KY-OH	\$29,861	81.2	\$36,822
Indianapolis	IN	\$52,554	87.3	\$80,199
Jackson	MI	\$44,494	80.7	\$48,603
Jamestown	NY	\$33,311	84.6	\$38,375
Janesville-Beloit	WI	\$46,781	91.5	\$51,138
Johnstown	PA	\$30,250	78.7	\$37,855
Joplin	MO	\$36,304	74.2	\$49,736
Kalamazoo-Battle Creek	MI	\$42,878	88.5	\$48,111
Kankakee	IL	\$43,233	93.7	\$46,140
Kenosha	WI	\$43,238	88.0	\$50,243
Kokomo	IN	\$47,023	83.2	\$56,514
La Crosse	WI-MN	\$42,400	91.7	\$46,238
Lafayette	IN	\$43,472	86.3	\$50,379
Lancaster	PA	\$50,626	94.6	\$53,518
Lansing-East Lansing	MI	\$48,810	90.3	\$54,113
Las Cruces	NM	\$30,819	84.9	\$36,320
Lowiston-Auburn	ME	\$36,856	95.2	\$38,819
Lexington	KY	\$44,068	92.1	\$47,848
Lima	OH	\$40,804	86.3	\$47,282
Los Angeles-Long Beach	CA	\$50,203	139.3	\$36,038
Louisville	KY-IN	\$45,230	89.5	\$51,654
Madison	WI	\$54,655	105.3	\$51,904
Manchester	NH	\$58,976	115.5	\$51,927
Mansfield	OH	\$36,080	87.3	\$41,329
Madison-Ashland	OH	\$36,067	106.0	\$35,912
Morced	CA	\$31,368	111.7	\$28,082
Milwaukee-Waukegan	WI	\$53,304	106.8	\$49,910
Minneapolis-St. Paul	MN-WI	\$65,330	114.7	\$56,857

Missoula	MT	\$40,912	104.1	\$38,301
Modesto	CA	\$43,640	118.7	\$37,395
Muncie	IN	\$37,248	80.5	\$46,271
New Haven-Meriden	CT	\$68,472	118.9	\$58,573
New York	NY	\$52,380	161.0	\$32,534
Newark	NJ	\$68,981	140.5	\$49,063
Oakland	CA	\$71,683	179.3	\$39,963
Olympia	WA	\$46,826	104.5	\$44,810
Owensboro	KY	\$37,214	81.4	\$45,717
Parkersburg-Marietta	WV-OH	\$36,670	86.8	\$42,247
Peoria-Perkin	IL	\$48,992	83.9	\$56,010
Philadelphia	PA-NJ	\$55,192	105.2	\$52,464
Pittsburgh	PA	\$41,809	90.0	\$48,454
Pittsfield	MA	\$41,865	108.6	\$38,550
Portland	ME	\$52,418	112.4	\$46,635
Portland-Vancouver	OR-WA	\$34,290	109.7	\$49,490
Providence-Fall River-Warwick	RI-MA	\$47,646	118.4	\$40,242
Pueblo	CO	\$34,723	87.7	\$39,593
Radiata	WI	\$52,827	95.6	\$55,048
Reading	PA	\$47,777	93.8	\$50,935
Redding	CA	\$35,940	105.3	\$32,232
Riverside-San Bernardino	CA	\$46,837	112.6	\$40,708
Rochester	MA-WI	\$62,051	102.7	\$60,420
Rochester	NY	\$48,178	90.5	\$54,341
Rockford	IL	\$48,069	91.4	\$52,592
Sacramento	CA	\$51,683	123.4	\$42,053
Saginaw-Bay City-Midland	MI	\$43,890	84.8	\$51,757
Salem	OR	\$45,688	100.4	\$45,506
Salinas	CA	\$55,282	169.5	\$34,961
San Diego	CA	\$54,872	157.7	\$34,859
San Francisco	CA	\$75,164	196.4	\$38,780
San Jose	CA	\$83,503	184.1	\$50,789
San Luis Obispo-Mascadero-Paso Robles	CA	\$48,421	155.1	\$31,218
Santa Cruz-Watsonville	CA	\$69,148	177.6	\$38,935
Santa Fe	NM	\$52,824	118.6	\$44,540
Santa Rosa	CA	\$61,423	177.3	\$34,644
Santa Barbara-Santa Maria-Lompoc	CA	\$51,277	173.6	\$29,537
Scranton-Wilkes-Barre-Hazleton	PA	\$34,708	86.4	\$40,171
Seattle-Bellevue-Everett	WA	\$69,730	123.0	\$58,691
Sheboygan	WI	\$50,326	91.0	\$55,303
South Bend	IN	\$43,880	82.4	\$53,252
Spokane	WA	\$42,105	89.4	\$47,097
Springfield	IL	\$45,038	81.6	\$55,294
Springfield	MA	\$45,948	104.5	\$42,066
Springfield	MO	\$40,086	83.1	\$49,236
St. Cloud	MN	\$43,220	98.2	\$44,012
St. Joseph	MO	\$37,598	81.3	\$46,246
St. Louis	MO-IL	\$51,803	89.0	\$52,206
State College	PA	\$38,383	92.5	\$41,495
Stockton-Lodi	CA	\$44,975	122.8	\$36,625
Syracuse	NY	\$44,748	88.4	\$50,620
Tacoma	WA	\$52,137	105.5	\$49,419
Terre Haute	IN	\$36,209	82.9	\$43,678
Toledo	OH	\$43,082	91.0	\$47,343
Trenton	NJ	\$69,514	118.0	\$61,517
Utica-Rome	NY	\$36,763	89.4	\$41,122
Vallejo-Fairfield-Napa	CA	\$63,508	149.1	\$42,594
Vineland-Mirville-Bridgeton	NJ	\$40,867	91.9	\$44,469
Visalia-Tulare-Porterville	CA	\$36,518	84.1	\$38,808
Wausau	WI	\$45,458	89.8	\$55,120
Wheeling	WV-OH	\$32,889	84.8	\$38,796
Williamsport	PA	\$35,909	82.9	\$43,316
Wilmington-Norfolk	DE-MD	\$81,484	102.4	\$80,023
Worcester	MA-CT	\$54,294	114.3	\$47,501

Yakima	WA	\$37,597	92.8	\$40,514
York	PA	\$47,924	81.3	\$52,491
Youngstown-Warren	OH	\$36,916	82.9	\$44,531
Yuba City-Warrensburg	CA	\$34,857	109.4	\$31,862
SUM		\$7,519,124	103.6	\$7,948,029
AVERAGE		\$47,589	103.6	\$46,507

The average cost of living index for SMSAs in Right to Work states is 88, while that for SMSAs in forced-unionism states is 103.6. Thus, on average, it costs families almost 18 percent more to live in an SMSA in a forced-unionism state than it does to live in an SMSA in a Right to Work state. This differential means that each dollar goes much further for families in Right to Work states, and this is captured in our measure of adjusted household income.

The data for typical household income unadjusted for cost of living are consistent with the argument made by union advocates. The average household income in SMSAs with Right to Work laws is \$41,681. The average household income in forced-unionism SMSAs is \$47,589. The \$5908 differential in typical household income supports the Organized Labor argument that families are better off living in states without Right to Work laws. However, this argument is not supported when we take into account cost of living to determine adjusted household income.

The average cost of living-adjusted household income in SMSAs in Right to Work states is \$47,320. Average adjusted household income in SMSAs in forced-unionism states is \$46,507. In terms of what their money income can buy, families living in SMSAs in Right to Work states are \$813 better off than families living in SMSAs in forced-unionism states. This evidence refutes Organized Labor's argument that families are better off living in states without Right to Work laws.

Weighted Adjusted Household Income

An important refinement in the present study is to calculate a weighted adjusted household income. In the following tables, income in each SMSA is weighted for the number of households living in each SMSA. The number of households in each SMSA comes from census data provided on a CD ROM entitled *2004 MSA Profile* from Woods and Poole Economics in Washington, D.C.

Several adjustments were required to make the census data for the numbers of households comparable to the data from *Cities Ranked and Rated*. Data for number of households are not available for 34 of the SMSAs included in the *Cities Ranked and Rated* data set. Generally, these are smaller SMSAs, so their exclusion is not likely to bias the results. The definition of SMSAs in the *2004 MSA Profile* does not always correspond exactly to the definition of SMSAs in *Cities Ranked and Rated*. Other census data were then used to provide a better match-up to these SMSAs.

Table 4. Weighted Adjusted Household Income in SMSAs in Right to Work States

Metropolitan Area	State	Total Households	Household Income	Cost of Living Index	Adjusted Household Income	Weighted Adjusted Household Income
Ablene	TX	58,244	\$37,844	75.7	\$50,124	2919432.412
Albany	GA	58,286	\$39,854	81.9	\$48,784	2849783.619
Alexandria	LA	54,890	\$33,022	86.4	\$41,072	2254440.725
Amario	TX	87,558	\$40,876	80.3	\$50,804	4457082.027
Anniston	AL	45,463	\$32,190	79.1	\$40,695	1850131.441
Asheville	NC	158,332	\$40,773	84.8	\$43,008	6852788.646
Atlanta	GA	65,753	\$37,878	95.4	\$38,704	2810683.579
Atlanta	GA	1662,995	\$59,423	96.0	\$61,514	102298283.0
Auburn-Opelika	AL	47,304	\$30,615	89.2	\$34,322	1623558.009
Augusta-Aiken	GA-SC	198,689	\$40,794	84.7	\$48,163	9087814.718
Austin-San Marcos	TX	511,992	\$60,068	95.3	\$63,030	32271076.03
Baton Rouge	LA	262,632	\$42,753	85.0	\$45,003	11819269.36
Beaumont-Port Arthur	TX	142,020	\$38,803	80.0	\$48,504	6888502.575
Birmingham	AL	421,585	\$45,047	94.0	\$47,922	20203389.89
Bismarck	ND	38,583	\$43,662	88.8	\$49,169	1897084.399
Boise	ID	183,684	\$46,322	91.5	\$50,625	9298027.593
Brownsville-Harlingen-San Benito	TX	103,330	\$27,879	76.2	\$36,324	3753374.108
Casper	WY	27,277	\$45,555	86.7	\$52,543	1433222.301
Cedar Rapids	IA	96,446	\$54,895	91.6	\$59,711	578858.048
Charleston-North Charleston	SC	214,851	\$42,473	100.0	\$42,473	9125386.423
Charlotte-Gastonia-Rock Hill	NC-SC	\$44,612	\$51,559	85.7	\$53,878	29341327.18
Charlottesville	VA	70,067	\$50,130	102.5	\$48,907	3428788.985
Chattanooga	TN-GA	198,338	\$41,871	87.1	\$47,843	9249718.09
Cheyenne	WY	32,572	\$45,478	92.5	\$49,185	1601415.585
Columbia	SC	253,768	\$48,503	89.5	\$54,193	13782624.36
Columbus	GA-AL	104,883	\$37,565	83.2	\$45,150	4740007.686
Corpus Christi	TX	143,242	\$38,789	80.3	\$49,550	7087703.534
Dallas	TX	1343,418	\$59,159	95.0	\$62,286	83649688.43
Danville	VA	45,243	\$31,305	78.0	\$40,135	1818910.404
Daytona Beach	FL	182,807	\$35,521	86.5	\$41,065	7917569.303
Decatur	AL	57,631	\$40,227	82.1	\$48,898	2833578.121
Des Moines	IA	196,918	\$55,547	94.2	\$58,987	11611681.68
Dothan	AL	53,610	\$35,089	80.8	\$43,535	2333887.382
Dubuque	IA	34,032	\$44,603	88.8	\$50,229	1708379.839
Duluth-Superior	MIN-WI	113,443	\$39,839	91.5	\$43,849	4951883.964
El Paso	TX	216,893	\$31,932	83.1	\$38,426	8334328.852
Enid	OK	23,086	\$34,287	76.8	\$44,845	1030683.648
Fayetteville	NC	120,844	\$42,175	87.4	\$48,255	5631845.195
Fayetteville-Springdale-Rogers	AR	140,828	\$40,370	82.0	\$49,232	6933252.11
Flagstaff	AZ-UT	42,218	\$40,572	102.9	\$39,428	1664595.429
Florence	AL	58,640	\$32,788	79.1	\$41,451	2430705.841
Florence	SC	74,191	\$39,025	84.0	\$46,460	3448878.531
Fort Lauderdale	FL	691,935	\$44,247	113.9	\$36,847	268878761.15
Fort Smith	AR-OK	107,308	\$37,488	76.4	\$49,068	5265297.55
Fort Walton Beach	FL	69,008	\$41,400	88.8	\$46,727	3224527.314
Fort Worth-Arlington	TX	868,801	\$55,157	85.9	\$58,211	42802823.56
Gadsden	AL	41,790	\$31,480	77.5	\$40,437	1688649.871
Gainesville	FL	84,968	\$34,900	81.7	\$38,310	3638847.63
Goldston	NC	42,875	\$35,842	81.8	\$43,939	1883923.218
Greensboro-Winston-Salem-High Point	NC	528,874	\$46,430	87.0	\$50,688	26807445.22
Greenville	NC	61,308	\$34,385	87.0	\$39,534	2429701
Greenville-Spartanburg-Anderson	SC	920,656	\$42,630	89.4	\$47,685	15290341.48
Hattiesburg	MS	47,403	\$32,581	80.8	\$40,279	1909069.398
Hickory-Morganton-Lenoir	NC	137,750	\$41,734	85.8	\$48,584	669201.164
Houma	LA	69,435	\$37,128	88.3	\$42,048	2918572.684

Houston	TX	1760,874	\$55,692	91.8	\$60,667	106826356
Huntsville	AL	140,261	\$49,596	87.1	\$56,941	7989694,243
Iowa City	IA	54,122	\$48,432	97.7	\$49,572	2682944,426
Jackson	MS	184,828	\$48,656	79.1	\$59,236	10906699,83
Jackson	TN	42,249	\$42,715	83.3	\$51,279	2166465,828
Jacksonville	FL	457,030	\$45,338	96.0	\$50,842	23281627,12
Jacksonville	NC	48,613	\$43,448	83.2	\$52,221	2538626,852
Johnson City-Kingsport-Bristol	TN-VA	201,918	\$32,887	79.9	\$41,173	6313512,448
Jonesboro	AR	43,332	\$36,436	77.5	\$47,014	2037219,035
Killeen-Temple	TX	115,809	\$38,754	80.5	\$48,142	5565603,958
Knoxville	TN	260,631	\$40,072	87.2	\$45,954	11988261,28
Lafayette	LA	91,491	\$32,755	81.4	\$40,240	3681557,377
Lake Charles	LA	72,460	\$40,187	80.5	\$49,872	9613740,223
Lakeland-Winter Haven	FL	194,227	\$35,584	87.9	\$40,482	7862768,564
Laredo	TX	54,906	\$28,882	77.3	\$38,670	2123221,413
Las Vegas	NV-AZ	569,928	\$48,723	103.1	\$47,258	26933564,01
Lawrence	KS	39,841	\$39,088	95.5	\$40,887	1628980,134
Lawton	OK	38,528	\$37,990	81.2	\$48,786	1845345,714
Lincoln	NE	108,119	\$50,530	93.9	\$53,813	5871973,45
Little Rock-North Little Rock	AR	247,781	\$45,421	83.4	\$54,482	13484557,32
Longview-Marechal	TX	96,439	\$36,536	76.0	\$48,074	4732325,4
Lubbock	TX	87,414	\$37,470	80.2	\$46,721	4851250,1
Lynchburg	VA	90,800	\$38,368	85.3	\$44,880	4084190,387
Macon	GA	85,819	\$42,106	85.9	\$49,017	4208629,586
McAllen-Edinburg-Mission	TX	170,340	\$25,726	74.2	\$34,871	5808883,229
Memphis	TN-AR-MS	461,195	\$46,253	89.2	\$51,853	23914408,45
Miami	FL	806,377	\$39,604	108.8	\$36,401	29352715,72
Mobile	AL	151,333	\$37,319	87.3	\$42,741	6468142,301
Monroe	LA	64,582	\$35,118	85.6	\$41,028	2648521,818
Montgomery	AL	132,254	\$41,426	84.8	\$48,851	6480785,052
Myrtle Beach	SC	86,322	\$42,302	94.9	\$44,575	3847832,712
Naples	FL	114,031	\$37,326	123.0	\$46,607	5914586,265
Nashville	TN	530,014	\$51,379	92.3	\$55,685	29503347,03
New Orleans	LA	501,482	\$40,672	94.0	\$43,268	21698165,86
Ocala	FL	113,115	\$31,547	86.1	\$36,640	4144528,345
Odessa-Midland	TX	44,537	\$39,029	76.2	\$51,219	2281147,794
Oklahoma City	OK	443,228	\$40,347	84.3	\$47,881	21213428,37
Omaha	NE-IA	303,476	\$52,174	92.2	\$56,588	17173055,12
Orlando	FL	671,499	\$45,146	95.6	\$47,224	31710767,63
Panama City	FL	61,505	\$36,585	88.7	\$41,257	2537514,628
Pensacola	FL	180,380	\$36,960	88.0	\$42,010	8738780,045
Phoenix-Mesa	AZ	1292,754	\$49,779	98.7	\$50,435	85199586,12
Pine Bluff	AR	37,882	\$33,714	79.1	\$42,622	1614806,508
Pocatello	ID	25,893	\$39,682	85.1	\$46,841	1409228,867
Provo-Orem	UT	168,791	\$51,589	101.8	\$50,687	5514260,304
Punta Gorda	FL	67,820	\$32,633	95.2	\$34,278	2317802,794
Raleigh-Durham-Chapel Hill	NC	545,865	\$56,436	103.6	\$54,475	28733843,18
Rapid City	SD	44,792	\$40,540	90.0	\$45,044	2017630,756
Reno	NV	143,187	\$54,011	111.2	\$48,571	6954741,958
Richmond-Petersburg	VA	438,834	\$52,306	94.1	\$55,586	24381710,85
Roanoke	VA	120,573	\$45,151	84.7	\$53,307	6427280,783
Rocky Mount	NC	54,840	\$32,401	85.3	\$37,985	2083084,22
Salt Lake City-Ogden	UT	489,041	\$56,636	97.8	\$58,208	29465905,53
San Angelo	TX	40,179	\$36,982	77.3	\$47,842	1922250,683
San Antonio	TX	831,826	\$43,228	82.6	\$52,208	32886200,88
Sarasota-Bradenton	FL	277,352	\$42,449	100.0	\$42,449	11775013,01
Savannah	GA	114,289	\$41,802	91.0	\$45,936	5250009,646
Sherman-Denison	TX	44,410	\$39,443	81.6	\$48,337	2146946,606
Shreveport-Bossier City	LA	145,991	\$38,129	78.5	\$48,572	7091071,132
Sioux City	IA-NE	53,904	\$42,492	84.5	\$50,286	2710637,585
Sioux Falls	SD	78,817	\$52,728	92.6	\$56,942	4317147,706
Sumter	SC	38,510	\$34,456	82.4	\$41,816	1601953,107
Tallahassee	FL	129,332	\$41,207	89.5	\$41,814	5358164,547
Tampa-St. Petersburg-Clearwater	FL	1055,908	\$41,823	92.6	\$44,957	47448566,41

Texas	TX	49,458	\$35,017	73.4	\$47,707	2359496.984
Yonkers	NY	90,785	\$43,972	82.7	\$53,170	4826020.048
Tucson	AZ	949,085	\$40,583	88.0	\$41,513	14491858.22
Tulsa	OK	348,806	\$44,811	86.6	\$51,829	17904059.52
Tuscaloosa	AL	76,271	\$36,407	90.9	\$40,052	3054783.805
Tyler	TX	68,589	\$43,361	80.8	\$53,665	3680747.856
Waco	TX	40,748	\$43,588	75.5	\$57,703	2351179.121
Victoria	TX	80,891	\$39,293	78.3	\$50,185	4059529.815
Waterloo-Cedar Falls	IA	63,775	\$41,213	83.2	\$49,535	3159085.427
West Palm Beach-Boca Raton	FL	502,110	\$51,876	111.2	\$48,851	23423873.36
Wichita	KS	225,885	\$47,797	85.6	\$55,707	12561808.2
Wichita Falls	TX	55,977	\$36,732	78.9	\$47,768	2673783.451
Wilmington	NC	120,692	\$40,224	87.6	\$41,213	4974083.248
Yuma	AZ	65,143	\$31,911	89.5	\$36,058	2348902.003
sum		29401,365	\$5,543,543	11710.4	\$6,293,575	1486857994
average		221.063	\$41,681	88.0	\$47,320	550,571

Table 5. Weighted Adjusted Family Income in SMSAs in Forced-Unionism States

Metropolitan Area	State	Total Households	Household Income	Cost of Living Index	Adjusted Household Income	Weighted Adjusted Household Income
Akron	OH	276,467	\$46,466	83.8	\$49,537	13794507.06
Albany-Schenectady-Troy	NY	336,506	\$48,881	110.0	\$44,419	14947379.44
Albuquerque	NM	301,662	\$45,403	94.9	\$47,995	14478181.59
Allentown-Bethlehem-Easton	PA	284,768	\$48,157	99.2	\$48,545	14309619.53
Allentown	PA	51,245	\$37,387	81.4	\$45,830	2353681.591
Anchorage	AK	121,510	\$70,833	118.5	\$59,775	7263221.797
Ann Arbor	MI	130,819	\$62,119	110.3	\$56,318	7367493.618
Appleton-Oshkosh-Neenah	WI	140,825	\$52,817	89.1	\$59,278	6347872.082
Atlantic City-Cape May	NJ	98,228	\$45,694	103.1	\$44,320	4353472.562
Bakersfield	CA	219,756	\$36,457	85.0	\$38,376	8433309.902
Baltimore	MD	1000,715	\$55,897	106.9	\$52,289	52326441.87
Bangor	ME	59,005	\$36,147	94.4	\$38,291	2259378.957
Barnstable-Yarmouth	MA	99,285	\$50,114	141.7	\$35,366	3476973.529
Bellingham	WA	67,957	\$41,931	106.6	\$39,335	2674854.978
Billing	MT	57,535	\$41,554	90.3	\$46,018	2647629.446
Binghamton	NY	101,114	\$36,750	84.7	\$45,750	4625935.655
Bloomington	IN	69,802	\$39,395	94.9	\$41,512	2897628.802
Bloomington-Normal	IL	58,835	\$54,304	94.4	\$57,525	3394506.305
Boston	MA-NH	1711,538	\$63,784	162.9	\$39,155	67015000.08
Boulder-Longmont	CO	120,106	\$66,602	140.8	\$47,303	5681320.689
Bremerton	WA	88,720	\$47,689	108.1	\$44,116	3913539.019
Bridgeport	CT	330,699	\$79,598	136.8	\$57,819	19120590.72
Buffalo-Niagara Falls	NY	468,699	\$43,785	87.6	\$49,983	23436820.91
Burlington	VT	77,998	\$52,027	109.2	\$47,644	3716118.998
Canton-Massillon	OH	160,688	\$41,834	90.9	\$46,022	7955163.49
Champaign-Urbana	IL	84,781	\$40,856	92.1	\$44,390	5765925.663
Charleston	WV	128,694	\$38,723	84.9	\$45,610	5869293.913
Chicago	IL	2821,475	\$63,096	119.8	\$52,668	148800823.5
Chico-Paradise	CA	82,888	\$34,282	116.1	\$29,528	2429208.937
Cincinnati - Covington	OH-KY-IN	796,710	\$50,093	93.0	\$53,788	42853574.55
Cleveland-Lorain-lyria	OH	858,157	\$46,630	99.8	\$48,817	40176567.18
Colorado Springs	CO	212,658	\$52,278	103.1	\$50,704	10782647.53
Columbia	MO	58,961	\$44,112	88.5	\$49,287	2807498.915
Columbus	OH	659,860	\$50,334	85.8	\$52,541	34670563.58
Corvallis	OR	30,697	\$48,802	108.0	\$44,569	1368748.251
Cumberland	MD-WV	40,147	\$31,176	78.0	\$39,453	1594332.749
Dayton-Springfield	OH	340,581	\$45,798	87.7	\$52,221	1778351.47
Decatur	IL	45,798	\$44,896	77.4	\$58,005	2658520.682
Denver	CO	856,588	\$82,886	118.9	\$52,974	4686048.59

Detroit	MI	756,728	\$55,418	101.5	\$54,598	41862593.4
Dover	DE	48,275	\$41,831	98.0	\$43,388	2136841.172
Eau Claire	WI	58,471	\$43,031	82.1	\$46,722	2731884.474
Elkhart-Goshen	IN	87,815	\$48,970	87.3	\$57,238	3881680.206
Elmira	NY	35,113	\$38,514	81.8	\$47,083	1653229.928
Ene	PA	106,880	\$40,848	85.9	\$47,669	5095302.68
Eugene-Springfield	OR	133,205	\$39,250	89.0	\$39,646	5281107.323
Evansville-Henderson	IN-KY	137,926	\$43,944	81.1	\$54,185	7473514.358
Flint	MI	179,039	\$48,069	86.5	\$54,315	8388657.278
Fort Collins-Loveland	CO	103,065	\$52,465	116.3	\$45,112	4649445.593
Fort Wayne	IN	154,456	\$48,089	83.6	\$57,535	8886577.923
Fresno	CA	265,219	\$35,635	103.6	\$34,387	8122663.19
Gary	IN	256,617	\$47,700	97.8	\$48,873	12541830.02
Glens Falls	NY	48,907	\$38,878	95.6	\$41,714	2040127.68
Grand Junction	CO	48,204	\$38,565	99.3	\$38,844	1920635.71
Grand Rapids-Muskegon-Holland	MI	468,386	\$53,279	93.5	\$56,983	26748969.73
Great Falls	MT	32,488	\$35,389	85.3	\$42,156	1369879.295
Greeley	CO	72,088	\$42,635	106.2	\$40,394	2907617.213
Green Bay	WI	112,110	\$32,905	93.7	\$56,462	6329567.503
Hagerstown	MD	89,472	\$42,490	91.5	\$48,437	4154325.443
Harrisburg-Lebanon-Carlisle	PA	253,205	\$48,289	91.1	\$53,007	13421585.66
Hartford	CT	456,141	\$58,870	110.1	\$53,024	24118362.31
Honolulu	HI	295,182	\$80,112	152.7	\$38,365	11620157.42
Huntington-Ashland	WV-KY-OH	117,489	\$29,981	81.2	\$36,922	4337877.474
Indianapolis	IN	617,527	\$52,554	87.3	\$50,199	37174700.98
Jackson	MI	59,387	\$44,484	80.7	\$49,603	2944788.515
Jamestown	NY	54,286	\$33,311	84.6	\$39,075	2136707.714
Janesville-Beloit	WI	58,709	\$46,791	91.5	\$51,138	3053381.223
Johnstown	PA	59,983	\$30,250	79.7	\$37,955	2276644.605
Joplin	MO	63,103	\$35,904	74.2	\$48,736	3138481.283
Kalamazoo-Battle Creek	MI	123,836	\$42,578	88.5	\$48,111	5867840.913
Kenilworth	IL	36,756	\$43,293	93.7	\$46,140	1788194.395
Kenosha	WI	286,278	\$49,238	98.0	\$50,243	14383424.66
Kokomo	IN	41,517	\$47,020	83.2	\$56,514	2346308.303
La Crosse	WI-MN	50,026	\$42,400	91.7	\$46,238	2313088.788
Lafayette	IN	68,303	\$43,472	86.3	\$50,373	3420635.018
Lancaster	PA	178,855	\$50,626	94.6	\$53,516	9464546.755
Lansing-East Lansing	MI	176,025	\$48,810	90.2	\$54,113	9525265.268
Las Cruces	NM	61,449	\$30,819	84.9	\$36,300	2230620.413
Lewiston-Auburn	ME	42,744	\$36,956	95.2	\$38,818	1659293.345
Lexington	KY	198,192	\$44,056	92.1	\$47,846	8047284.117
Lima	OH	40,716	\$40,804	96.3	\$47,282	1825116.644
Los Angeles-Long Beach	CA	3244,116	\$50,203	139.3	\$38,039	118918335.9
Louisville	KY-IN	474,003	\$46,230	89.5	\$51,894	24483878.19
Madison	WI	211,508	\$54,855	105.3	\$51,894	10978128.91
Manchester	NH	148,558	\$59,976	115.5	\$51,927	7771331.782
Mansfield	OH	49,458	\$38,080	87.3	\$41,229	2044037.386
Medford-Ashland	OR	74,171	\$38,067	106.0	\$35,912	2663648.544
Mercado	CA	68,741	\$31,358	111.7	\$28,082	1930409.748
Milwaukee-Waukesha	WI	586,506	\$53,304	106.8	\$49,910	28761699.48
Minneapolis-St. Paul	MN-WI	1176,002	\$65,330	114.7	\$56,857	66881875.03
Missoula	MT	38,897	\$40,912	104.1	\$39,301	1560118.793
Modesto	CA	157,958	\$43,640	116.7	\$37,385	5885802.931
Muncie	IN	47,330	\$37,248	80.5	\$46,271	2189897.317
New Haven-Meriden	CT	325,283	\$58,472	116.9	\$58,673	19052846.51
New York	NY	4278,413	\$52,380	161.0	\$52,534	138129511.1
Newark	NJ	287,856	\$68,961	140.5	\$49,083	37688339.94
Oakland	CA	898,931	\$71,689	179.3	\$39,883	35841697.97
Olympia	WA	86,397	\$46,826	104.5	\$44,810	3871412.366
Owensboro	KY	43,721	\$37,214	81.4	\$45,717	1898812.4
Parkersburg-Marietta	WV-OH	56,480	\$36,670	86.8	\$42,247	2808972.696
Peoria-Pekin	IL	144,183	\$45,882	83.9	\$56,010	8076182.903
Philadelphia	PA-NJ	2172,356	\$55,192	105.2	\$52,464	113970220.8
Pittsburgh	PA	988,654	\$41,809	90.0	\$48,454	48299007.8

Pittsfield	MA	55,801	\$41,855	108.6	\$38,580	2151113.135
Portland	ME	203,181	\$52,418	112.4	\$46,635	9475392.834
Portland-Vancouver	OR-WA	785,802	\$34,290	109.7	\$49,490	38688961.33
Providence-Fall River-Warwick	RI-MA	629,352	\$47,646	118.4	\$40,242	25326102.53
Pueblo	CO	56,961	\$34,729	87.7	\$38,593	2252522.911
Racine	WI	72,191	\$52,627	95.6	\$55,049	3874054.130
Reading	PA	145,550	\$47,777	93.8	\$50,935	7413584.595
Redding	CA	67,130	\$33,840	105.3	\$32,232	2163715.29
Riverside-San Bernardino	CA	1122,638	\$45,837	112.6	\$40,708	45700954.48
Rochester	MN-WI	65,211	\$52,051	102.7	\$60,420	3940027.031
Rochester	NY	401,703	\$49,179	90.5	\$54,341	21829118.05
Rockford	IL	126,127	\$48,069	81.4	\$52,592	6632259.04
Sacramento	CA	718,424	\$51,893	123.4	\$42,053	30211850.43
Saginaw-Bay City-Midland	MI	124,952	\$43,690	84.8	\$51,757	6467150.094
Salem	OR	129,816	\$45,688	100.4	\$45,508	5898302.586
Salinas	CA	125,410	\$59,292	169.5	\$34,961	4386958.389
San Diego	CA	1033,960	\$54,872	157.7	\$34,859	36042390.06
San Francisco	CA	891,491	\$76,164	106.4	\$38,780	26428248.74
San Jose	CA	585,464	\$93,503	184.1	\$50,789	29735274.52
San Luis Obispo-Alpacadero-Paso Robles	CA	95,922	\$48,421	155.1	\$31,219	2994609.389
Santa Cruz-Watsonville	CA	91,077	\$69,148	177.6	\$38,938	3548054.277
Santa Fe	NM	55,130	\$52,824	118.6	\$44,540	2455463.747
Santa Rosa	CA	177,318	\$81,423	177.3	\$34,644	6142854.297
SantaBarbara-Santa Maria-Lompoc	CA	138,544	\$31,277	173.6	\$28,537	4062235.419
Scranton-Wilkes-Barre-Hazleton	PA	226,230	\$34,709	86.4	\$40,171	9087952.361
Seattle-Bellevue-Everett	WA	952,403	\$69,730	123.0	\$56,691	54559643.24
Sheboygan	WI	43,801	\$50,326	91.0	\$55,303	2422339.699
South Bend	IN	122,001	\$43,880	82.4	\$53,252	6496849.389
Spokane	WA	188,501	\$42,105	89.4	\$47,097	7635044.748
Springfield	IL	84,873	\$45,836	81.6	\$56,294	4783480.059
Springfield	MA	264,242	\$43,948	104.5	\$42,056	11112830.06
Springfield	MD	150,433	\$40,086	83.1	\$48,238	7256227.242
St. Cloud	MN	63,020	\$43,220	98.2	\$44,012	2773650.102
St. Joseph	MO	46,704	\$37,598	81.3	\$46,246	2159873.299
St. Louis	MO-IL	1073,524	\$51,803	88.0	\$58,206	62801538.07
State College	PA	50,755	\$38,383	92.5	\$41,495	2106065.584
Stockton-Lodi	CA	199,217	\$44,875	122.8	\$36,825	7296241.511
Syracuse	NY	285,232	\$44,748	88.4	\$50,620	12918820.74
Tacoma	WA	274,842	\$52,137	105.5	\$49,419	13582405.07
Terre Haute	IN	65,763	\$36,209	92.8	\$43,876	2872391.396
Toledo	OH	261,918	\$43,082	91.0	\$47,343	12399946.46
Trenton	NJ	129,636	\$68,514	113.0	\$61,517	7974793.72
Utica-Rome	NY	116,517	\$36,763	88.4	\$41,122	4791403.211
Valeto-Fairfield-Napa	CA	136,795	\$63,608	149.1	\$42,594	5826677.875
Vineland-Millville-Bridgeton	NJ	49,874	\$40,867	91.9	\$44,469	2217846.309
Visalia-Tulare-Porterville	CA	114,983	\$38,518	94.1	\$38,808	4432220.165
Wausau	WI	48,369	\$49,438	98.8	\$55,120	2686112.207
Wheeling	WV-OH	61,374	\$32,859	84.8	\$38,798	2381065.125
Williamsport	PA	48,823	\$35,809	82.9	\$43,316	2082518.708
Wilmington-Newark	DE-MD	252,269	\$81,484	102.4	\$80,023	15142052.55
Worcester	MA-CT	293,426	\$54,294	114.3	\$47,601	13838120.07
Yakima	WA	75,224	\$37,597	92.8	\$40,514	3047625.784
York	PA	152,095	\$47,924	91.3	\$52,491	7983571.501
Youngstown-Warren	OH	207,282	\$36,916	82.9	\$44,531	10565457.17
Yuba City-Marysville	CA	49,768	\$34,857	106.4	\$31,882	1585706.742
sum		48820,013	\$7,519,124	16376.5	\$7,348,029	2307330599
average		315,317	\$47,589	103.8	\$46,507	\$46,313

In the above two tables, the weighted adjusted family income is calculated for Right to Work states and forced-unionism states. Table 4 lists alphabetically the 133 SMSAs in the Right to Work states and their related data. Table 5 lists the 158 SMSAs in forced-

Pittsfield	MA	55,801	\$41,855	108.6	\$38,550	2151113.135
Portland	ME	203,181	\$32,418	112.4	\$48,655	9475392.934
Portland-Vancouver	OR-WA	785,802	\$54,290	105.7	\$49,490	3888861.33
Providence-Fall River-Warwick	RH-MA	629,352	\$47,646	118.4	\$40,242	25326102.53
Pueblo	CO	56,961	\$34,723	87.7	\$39,593	2252022.911
Racine	WI	72,191	\$52,627	95.6	\$55,048	3874054.139
Randall	PA	145,550	\$47,777	53.8	\$50,995	7415594.595
Redding	CA	67,130	\$33,940	105.3	\$32,232	2163715.29
Riverside-San Bernardino	CA	1122,658	\$43,837	112.6	\$40,706	4570964.48
Rochester	MN-WI	95,211	\$62,051	102.7	\$60,420	3940027.031
Rochester	NY	401,703	\$48,179	90.5	\$54,341	21629118.05
Rockford	IL	126,127	\$48,069	81.4	\$52,592	8532259.04
Sacramento	CA	716,424	\$51,893	123.4	\$42,053	30211850.43
Saginaw-Bay City-Midland	MI	124,952	\$43,690	84.8	\$51,757	6467150.094
Salem	OR	129,616	\$45,688	100.4	\$45,506	5888302.568
Salinas	CA	125,410	\$59,292	169.5	\$34,981	438908.389
San Diego	CA	1033,960	\$54,972	157.7	\$34,859	36042390.06
San Francisco	CA	881,491	\$78,164	186.4	\$38,780	26428248.74
San Jose	CA	585,464	\$93,503	184.1	\$50,789	29735274.52
San Luis Obispo-Atascadero-Paso Robles	CA	95,922	\$48,421	155.1	\$31,219	2094609.389
Santa Cruz-Watsonville	CA	91,077	\$59,148	177.6	\$38,936	3346054.277
Santa Fe	NM	65,130	\$32,824	118.6	\$44,540	2455469.747
Santa Rosa	CA	177,318	\$81,423	177.3	\$34,644	5142954.227
SantaBarbara-Santa Maria-Lompoc	CA	138,544	\$51,277	173.6	\$29,537	4092235.419
Scranton-Wilkes-Barre-Hazleton	PA	226,230	\$34,709	86.4	\$40,171	9087952.361
Seattle-Bellevue-Everett	WA	952,403	\$99,730	123.0	\$56,691	54559643.24
Sheboygan	WI	43,801	\$50,326	91.0	\$55,303	2422339.699
South Bend	IN	122,001	\$43,890	82.4	\$53,252	649849.369
Spokane	WA	168,501	\$42,105	89.4	\$47,097	7635944.748
Springfield	IL	84,873	\$45,836	81.6	\$56,294	4763460.059
Springfield	MA	264,242	\$43,948	104.5	\$42,056	11112830.06
Springfield	MO	150,433	\$40,086	83.1	\$48,236	7256627.242
St. Cloud	MN	63,020	\$43,220	98.2	\$44,012	2773650.102
St. Joseph	MO	48,704	\$37,599	81.3	\$48,246	2158873.289
St. Louis	MO-IL	1075,524	\$51,803	69.0	\$58,206	62801539.07
State College	PA	50,755	\$38,363	92.5	\$41,495	2108093.594
Stockton-Lodi	CA	189,217	\$44,875	122.8	\$38,825	7296241.511
Syracuse	NY	255,232	\$44,748	88.4	\$50,820	12918820.74
Tacoma	WA	274,842	\$52,137	105.5	\$49,419	13582405.07
Terre Haute	IN	65,763	\$36,209	82.9	\$43,678	2872391.396
Toledo	OH	261,918	\$43,082	91.0	\$47,343	12399946.46
Trenton	NJ	129,636	\$66,514	113.0	\$81,517	7974793.72
Utica-Rome	NY	116,517	\$36,783	89.4	\$41,122	4791403.211
Vallejo-Fairfield-Napa	CA	136,785	\$63,608	149.1	\$42,594	5826877.975
Vineland-Millville-Bridgeton	NJ	49,874	\$40,867	91.9	\$44,469	2217845.309
Visalia-Tulare-Porterville	CA	114,583	\$36,518	94.1	\$38,808	4462220.185
Wausau	WI	48,362	\$49,498	89.8	\$55,120	2686112.207
Wheeling	WV-OH	61,374	\$32,895	84.8	\$38,796	2381065.125
Williamsport	PA	48,923	\$35,805	82.9	\$43,316	2332518.706
Wilmington-Newark	DE-MD	252,263	\$81,454	102.4	\$80,023	15142052.55
Worcester	MA-CT	293,426	\$84,294	114.3	\$47,501	13838120.07
Yakima	WA	75,224	\$37,597	92.8	\$40,514	3047625.764
York	PA	152,095	\$47,924	91.3	\$52,491	7983571.501
Youngstown-Warren	OH	237,262	\$36,916	82.9	\$44,531	10565457.17
Yuba City-Marysville	CA	49,768	\$34,857	109.4	\$31,682	1585705.742
sum		49820,013	\$7,519,124	16378.5	\$7,948,029	2307330599
average		315.317	\$47,599	103.8	\$46,507	446.313

In the above two tables, the weighted adjusted family income is calculated for Right to Work states and forced-unionism states. Table 4 lists alphabetically the 133 SMSAs in the Right to Work states and their related data. Table 5 lists the 158 SMSAs in forced-

unionism states and their related data. For each SMSA, the following data are listed: number of households, adjusted household income, and weighted adjusted household income. In the final column, the sum of weighted adjusted household incomes is divided by total number of households to estimate weighted average adjusted household income in Right to Work states and in forced-unionism states.

The weighted average adjusted household income in SMSAs in Right to Work states is \$50,571; the weighted average adjusted household income in SMSAs in forced-unionism states is \$46,313. This differential, \$4258, reveals a much greater gap in the standard of living between Right to Work states and forced-unionism states when we take into account the number of households living in each SMSA. The weighted adjusted household income in SMSAs in Right to Work states is \$3251 above the unweighted average adjusted household income in these SMSAs. In contrast, the weighted average adjusted household income in SMSAs in forced-unionism states is \$194 below the unweighted measure for these SMSAs. In the following section we discuss some indirect evidence that differences in migration may account for these differences in standards of living in Right to Work states and forced-unionism states.

Migration and Adjusted Household Income

A fundamental hypothesis in the literature on migration is that differences in the cost of living will motivate people to migrate. As Savageau and D'Agostino argued:

We... flee living costs that have gotten so high we can't afford them. Metro areas attract people because of expanding job opportunities, sure. But people also vote with their feet by heading for metro areas where cost of living factors like income taxes and house prices look like bargains.^{vi}

Sperling and Sanders reach a similar conclusion in their more recent study.^{vii}

Our evidence shows that while average money incomes are higher in SMSAs in forced-unionism states than in SMSAs in Right to Work states, the cost of living is also higher. When we take into account the differences in cost of living, the adjusted household income is higher in SMSAs in Right to Work states than in forced-unionism states. Therefore, we expect workers to migrate into these SMSAs in Right to Work states.

We do not have direct evidence on migration into these SMSAs. However, we do have indirect evidence that suggests that workers have been attracted into SMSAs in Right to Work states, consistent with our hypothesis.

In the final set of tables, we have compiled evidence on the weighted adjusted income for households in metropolitan areas with above average (real) incomes. Table 6 compiles this evidence for SMSAs in the Right to Work states, while Table 7 shows the same data for SMSAs in forced-unionism states.

Table 6. Weighted Adjusted Household Income for Upper Income Households in SMSAs in Right to Work States

Metropolitan Area	State	Total Households	Household Income	Cost of Living Index	Adjusted Household Income	Weighted Adjusted Household Income
Fort Worth-Arlington	TX	668,601	\$55,157	85.9	\$64,211	42802923.58
Austin-San Marcos	TX	511,992	\$60,068	89.3	\$63,090	32271078.03
Dallas	TX	1343,418	\$59,153	85.0	\$69,286	93649689.43
Atlanta	GA	1662,955	\$59,423	88.6	\$61,514	102262263.8
Houston	TX	1780,874	\$55,692	91.8	\$60,867	106922355
Cedar Rapids	IA	96,446	\$54,695	91.6	\$59,711	5759558.046
Jackson	MS	184,628	\$46,856	79.1	\$59,296	10938899.83
Des Moines	IA	186,918	\$55,547	84.2	\$58,967	11611881.68
Salt Lake City-Ogden	UT	489,041	\$56,636	87.3	\$58,208	28465905.53
Victoria	TX	40,746	\$43,560	75.5	\$57,703	2351179.121
Sioux Falls	SD	75,817	\$52,728	92.8	\$56,942	4317147.706
Huntsville	AL	140,261	\$49,586	87.1	\$56,941	7988664.243
Omaha	NE-IA	303,476	\$52,174	92.2	\$56,588	17173055.12
Wichita	KS	225,855	\$47,787	86.8	\$55,707	12581808.2
Nashville	TN	538,214	\$51,379	82.3	\$55,665	29503347.03
Richmond-Petersburg	VA	438,634	\$52,305	84.1	\$53,588	24381710.85
Raleigh-Durham-Chapel Hill	NC	546,885	\$58,436	103.6	\$54,475	29735943.19
Little Rock-North Little Rock	AR	247,781	\$45,421	83.4	\$54,462	13494537.82
Columbia	SC	253,768	\$48,603	89.5	\$54,193	13752524.36
Charlotte-Gastonia-Rock Hill	NC-SC	644,812	\$51,559	85.7	\$53,876	28341327.18
Lincoln	NE	109,119	\$50,530	83.9	\$53,813	5871973.45
Tyler	TX	68,589	\$43,361	80.8	\$53,885	3680747.858
Roanoke	VA	120,579	\$45,151	84.7	\$53,307	6427380.783
Topeka	KS	90,765	\$43,972	82.7	\$53,170	4826020.048
Casper	WY	27,277	\$45,535	86.7	\$52,543	1430222.301
Jacksonville	NC	49,613	\$43,448	83.2	\$52,221	2539626.352
San Antonio	TX	631,826	\$43,228	82.8	\$52,206	32966200.88
Memphis	TN-AR-MS	461,195	\$46,253	89.2	\$51,853	23914408.45
Tulsa	OK	348,808	\$44,811	85.8	\$51,828	17804059.52
Jackson	TN	42,249	\$42,715	83.3	\$51,279	2186485.928
Odessa-Midland	TX	44,537	\$39,029	75.2	\$51,219	2281147.734
Jacksonville	FL	457,030	\$45,338	89.0	\$50,942	23281827.12
Amarillo	TX	87,558	\$40,876	80.3	\$50,904	4457082.027
Greensboro-Winston-Salem-High Point	NC	528,874	\$46,430	91.8	\$50,888	26607445.22
Provo-Orem	UT	108,791	\$51,599	101.8	\$50,687	5514250.304
Boise	ID	183,684	\$46,322	91.5	\$50,625	9299027.593
Phoenix-Mesa	AZ	1292,754	\$49,779	88.7	\$50,435	65199586.12
Sioux City	IA-NE	63,804	\$42,492	84.5	\$50,288	2710637.565
Dubuque	IA	34,032	\$44,808	88.8	\$50,229	1709379.638
Waco	TX	80,891	\$36,285	78.3	\$50,185	4059529.813
Abiene	TX	58,244	\$37,844	75.7	\$50,124	2819432.412
Lake Charles	LA	72,460	\$40,197	80.6	\$49,872	3618740.223
Iowa City	IA	54,122	\$48,432	87.7	\$49,572	2882944.426
Corpus Christi	TX	143,242	\$39,789	80.3	\$49,550	7097703.534
Waterloo-Cedar Falls	IA	63,775	\$41,213	83.2	\$49,535	3158085.427
Fayetteville-Springdale-Rogers	AR	140,829	\$40,370	82.0	\$49,232	6933352.11
Bismarck	ND	38,583	\$43,662	88.8	\$49,169	1897084.399
Cheyenne	WY	32,572	\$45,478	92.5	\$49,165	1601415.583
Fort Smith	AR-OK	107,306	\$37,488	76.4	\$49,068	5266297.55
Macon	GA	65,819	\$42,106	85.8	\$49,017	4206829.586
Des Moines	IA	57,831	\$40,227	82.1	\$48,998	2833578.121
Charlottesville	VA	70,087	\$50,130	102.5	\$48,907	3426788.985
Montgomery	AL	122,854	\$41,428	84.8	\$48,651	6460795.058
Albany	GA	58,595	\$39,554	81.9	\$48,784	2848783.619

Hickory-Morganton-Lenoir	NC	137,750	\$41,794	85.9	\$46,584	6892501.164
Shreveport-Bossier City	LA	145,991	\$38,129	78.5	\$48,572	7091071.132
Reno	NV	143,187	\$54,011	111.2	\$48,571	6954741.958
Beaumont-Port Arthur	TX	142,020	\$38,808	80.0	\$48,504	6888502.575
Sherman-Denison	TX	44,410	\$39,443	81.6	\$48,337	2146645.605
Fayetteville	NC	120,944	\$42,175	87.4	\$46,255	5831345.195
Augusta-Aiken	GA-SC	186,689	\$40,794	84.7	\$46,183	9087814.718
Killeen-Temple	TX	115,609	\$38,754	80.5	\$46,142	5565603.958
Longview-Marshall	TX	98,439	\$36,536	76.0	\$46,074	4732325.4
Birmingham	AL	421,585	\$45,047	94.0	\$47,222	20203338.89
Oklahoma City	OK	443,228	\$40,347	84.3	\$47,861	21213428.37
Chattanooga	TN-GA	193,336	\$41,671	87.1	\$47,843	9249718.05
San Angelo	TX	40,179	\$36,982	77.3	\$47,842	1922250.683
Wichita Falls	TX	55,977	\$36,732	76.9	\$47,768	2673793.451
Texarkana	TX-AR	49,458	\$35,017	73.4	\$47,707	2359496.894
Greenville-Spartanburg-Anderson	SC	320,655	\$42,630	89.4	\$47,685	15280341.48
SUM		18955,695	\$3,186,700	6096.0	\$3,651,505	1039159211
AVERAGE		289,367	\$45,524	87.1	\$52,164	\$55,117

Table 7. Weighted Adjusted Household Income for Upper Income Households in SMSAs in Forced-Unionism States

Metropolitan Area	State	Total Households	Household Income	Cost of Living Index	Adjusted Household Income	Weighted Adjusted Household Income
Trenton	NJ	129,638	\$69,514	113.0	\$61,517	7974793.72
Rochester	MN-WI	65,211	\$62,051	102.7	\$60,420	5940027.031
Indianapolis	IN	617,527	\$52,554	87.3	\$60,199	37174700.96
Wilmington-Newark	DE-MD	252,259	\$61,464	102.4	\$60,023	15142052.55
Anchorage	AK	121,510	\$70,639	118.5	\$68,775	7253221.797
Appleton-Oshkosh-Neenah	WI	140,625	\$62,817	89.1	\$68,278	8347872.082
New Haven-Meriden	CT	325,263	\$68,472	118.9	\$65,573	18052945.51
St. Louis	MO-IL	1075,524	\$51,503	89.0	\$58,206	62801539.07
Decatur	IL	45,798	\$44,696	77.4	\$58,005	2656320.882
Bridgeport	CT	330,899	\$78,086	136.8	\$57,819	19120520.72
Fort Wayne	IN	154,456	\$48,089	83.6	\$57,535	8885777.923
Bloomington-Normal	IL	58,935	\$54,304	84.4	\$57,525	3384506.305
Elkhart-Goshen	IN	67,815	\$49,970	87.3	\$57,239	3881890.208
Grand Rapids-Muskegon-Holland	MI	469,386	\$53,279	93.5	\$56,682	26746669.73
Minneapolis-St. Paul	MN-WI	1176,002	\$65,330	114.7	\$56,957	66981875.03
Seattle-Bellevue-Everett	WA	962,403	\$68,730	123.0	\$56,691	54559643.24
Kokomo	IN	41,517	\$47,020	85.2	\$56,514	2345309.303
Green Bay	WI	112,110	\$52,905	89.7	\$56,462	6329967.503
Ann Arbor	MI	130,819	\$65,119	110.3	\$56,316	7367493.618
Springfield	IL	94,573	\$45,835	81.6	\$56,284	4733480.059
Peoria-Pekin	IL	144,193	\$46,392	83.9	\$56,010	8076182.903
Sheboygan	WI	43,601	\$30,326	91.0	\$55,303	2422339.899
Wausau	WI	48,369	\$48,488	88.8	\$55,120	2666112.207
Racine	WI	72,191	\$52,627	95.6	\$55,049	3974054.139
Detroit	MI	766,728	\$65,418	101.5	\$54,599	41652593.4
Rochester	NY	401,703	\$48,179	90.5	\$54,341	21829118.05
Flint	MI	173,039	\$48,069	86.5	\$54,315	9398657.279
Evansville-Henderson	IN-KY	137,826	\$43,944	81.1	\$54,185	7473514.358
Lansing-East Lansing	MI	176,025	\$48,810	90.2	\$54,113	9525255.266
Cincinnati - Covington	OH-KY	796,710	\$50,028	93.0	\$53,788	42853574.55
Leicester	PA	178,855	\$50,626	94.8	\$53,516	9484546.755
South Bend	IN	122,001	\$43,680	82.4	\$53,282	6486940.363
Hartford	CT	458,141	\$59,870	113.1	\$53,024	24188362.31
Harrisburg-Lebanon-Carlisle	PA	253,206	\$48,289	91.1	\$53,007	13421585.68
Denver	CO	886,588	\$62,988	118.9	\$52,974	46866049.59
Chicago	IL	2821,475	\$63,095	119.8	\$52,668	148600823.5

Rockford	IL	126,127	\$48,069	91.4	\$52,592	6653259.04
Columbus	OH	659,880	\$50,834	95.8	\$52,541	34670563.59
York	PA	152,095	\$47,824	91.3	\$52,491	7883571.501
Philadelphia	PA-NJ	2172,356	\$55,192	105.2	\$52,464	113970220.9
Baltimore	MD	1000,715	\$55,697	106.9	\$52,289	62326441.87
Dayton-Springfield	OH	340,581	\$45,798	87.7	\$52,221	17785551.47
Manchester	NH	149,858	\$56,976	115.5	\$51,927	7771331.782
Madison	WI	211,598	\$54,655	105.3	\$51,934	10678128.91
Saginaw Bay City Midland	MI	124,852	\$43,890	84.8	\$51,757	6467150.094
Louisville	KY-IN	474,003	\$46,230	89.5	\$51,654	24463576.19
Janeau-Beloit	WI	59,709	\$46,791	91.5	\$51,198	3053381.223
Reading	PA	145,550	\$47,777	93.8	\$50,835	7415584.595
San Jose	CA	585,464	\$93,503	184.1	\$50,789	28735274.52
Colorado Springs	CO	212,650	\$52,276	103.1	\$50,704	10782647.53
Syracuse	NY	255,232	\$44,748	88.4	\$50,620	12819820.74
Lafayette	IN	68,303	\$43,472	86.3	\$50,373	3440635.013
Kenocho	WI	286,278	\$49,238	98.0	\$50,243	14383424.66
Buffalo-Niagara Falls	NY	468,899	\$43,785	87.8	\$49,983	23436920.91
Milwaukee-Waukesha	WI	596,306	\$53,304	106.8	\$49,910	29761699.46
Joplin	MO	63,103	\$36,904	74.2	\$49,736	3138491.283
Jackson	MI	59,967	\$44,494	86.7	\$49,603	2944788.515
Alexon	OH	278,467	\$45,453	93.8	\$49,537	13794507.06
Portland-Vancouver	OR-WA	785,802	\$54,299	108.7	\$49,490	3888881.33
Tacoma	WA	274,842	\$52,137	105.5	\$49,419	13583405.07
Columbia	MO	58,391	\$44,112	89.5	\$49,287	2907498.315
Newark	NJ	767,656	\$66,881	140.5	\$49,083	3768339.94
Gary	IN	256,617	\$47,700	97.8	\$48,873	12541830.02
Alliantown-Bethlehem-Easton	PA	284,789	\$48,157	98.2	\$48,545	14308619.53
Springfield	MO	150,433	\$40,086	83.1	\$48,238	7256627.242
Kalamazoo-Battle Creek	MI	123,836	\$42,578	88.5	\$48,111	5957640.913
Albuquerque	NM	301,662	\$45,403	94.6	\$47,995	14478181.59
Lexington	KY	168,182	\$44,066	82.1	\$47,846	8047284.117
Elie	PA	106,889	\$40,848	85.9	\$47,669	5095532.68
Burlington	VT	77,998	\$32,027	109.2	\$47,644	3716118.998
Worcester	MA-CT	223,426	\$54,294	114.3	\$47,501	19836120.07
Toronto	OH	281,918	\$43,082	91.3	\$47,343	12399946.46
Boulder-Longmont	CO	120,108	\$36,602	140.8	\$47,303	5881320.689
Lima	OH	40,716	\$40,804	85.3	\$47,282	1925116.644
Spokane	WA	168,501	\$42,103	89.4	\$47,087	7835944.748
Elmira	NY	35,113	\$38,514	81.8	\$47,083	1632298.823
Cleveland-Lorain-Elyria	OH	858,157	\$48,830	99.6	\$46,817	40176567.18
Eau Claire	WI	58,471	\$43,031	92.1	\$46,722	2731884.474
Portland	ME	203,181	\$52,419	112.4	\$46,635	9475392.934
SUM		27738,235	\$4,104,593	7797.2	\$4,158,892	1466023022
AVERAGE		351,117	\$51,957	98.7	\$52,645	552,852

64 percent of households in the Right to Work states live in SMSAs with above average adjusted household incomes. The weighted average adjusted household income for this top group of families in SMSAs in Right to Work states is \$55,111. There is a differential of 9 percent in the weighted average adjusted household income for this top group of households and that for all households living in SMSAs in Right to Work states.

56 percent of households in forced-unionism states live in SMSAs with above average adjusted family incomes. The weighted average adjusted household income for this top group is \$52,852. There is a 14 percent differential in the weighted average adjusted household income for this top group of families compared to that for all households living in SMSAs in forced-unionism states.

We can make several inferences from this indirect evidence on migration. First, a larger share of families in Right to Work states have chosen to live in SMSAs with higher adjusted household income, compared to families in forced-unionism states. These families receive higher adjusted household incomes than their counterparts living in forced-unionism states. While these families receive higher adjusted household incomes in the Right to Work states, there is greater convergence between their incomes and those of the average family living in these states.

What this evidence suggests is not only that families living in Right to Work states receive higher adjusted household incomes, but also there is greater mobility of workers into SMSAs with higher adjusted household income. We expect that the higher adjusted household incomes in SMSAs in Right to Work states would attract more workers. We also expect that migration of workers into these SMSAs would tend to bring convergence between the adjusted household incomes earned in these SMSAs relative to that for all SMSAs in the Right to Work states.

In contrast, the evidence suggests that families living in forced-unionism states not only receive lower adjusted household incomes, but also, there is less evidence of mobility of workers into SMSAs with higher adjusted household incomes. Even though there is a greater differential between the average adjusted household income for the top group of SMSAs and that for all SMSAs, a smaller share of workers have chosen to live in the higher income SMSAs. The relative gap between the average adjusted household income in these top SMSAs and that for all SMSAs is much greater in the forced-unionism states. This suggests less mobility of workers into the higher income SMSAs, and correspondingly less convergence in adjusted household income between the top SMSAs and all SMSAs in the forced-unionism states.

Our analysis is consistent with the hypothesis that workers are motivated to migrate to SMSAs not just by money income, but also by the cost of living and real adjusted household income. Other factors may also influence the mobility of workers. One factor that reduces the mobility of workers is union restrictions on entry. Such restrictions reduce the probability that a worker can obtain a job by migrating to an SMSA with a higher adjusted household income. Even for workers who do land a job, union restrictions are likely to increase the time of the job search and the costs of migration. We expect these restrictions to be greater in the absence of Right to Work laws. This is consistent with the evidence for a lack of convergence between the average adjusted household income among the top group of SMSAs and that for all SMSAs in the forced-unionism states.

One cost that is not captured in our cost of living data is the cost of union dues, fees, and other assessments. Including these in the cost of living index would reduce the adjusted household income for those families who must pay these costs. Given the higher percentage of workers who incur these union costs in forced-unionism states, we would expect a greater reduction in adjusted household income in these states, compared to Right to Work states. This would also help to explain the lack of mobility of families in forced-unionism states.

Another cost that is not captured in our cost of living data is federal income taxes. Federal income taxes are levied on money incomes. This means that families living in SMSAs in forced-unionism states would pay more in federal income taxes, because their money incomes are higher on average than that for families living in SMSAs in Right to Work states. If we included federal income taxes in our cost of living index, we would find an even greater differential between the adjusted family incomes received in SMSAs in Right to Work states compared to that in forced-unionism states.

A final cost, which is impossible to measure let alone incorporate into a cost of living index, is what Amartya Sen refers to as "negative freedom."^{vi} Positive freedom refers to the tangible aspects of individual well being. When families receive a higher adjusted household income, this enables them to purchase more goods and services to enhance their well being. But man does not live by bread alone. An important determinant of individual well being is the absence of coercion, or negative freedom. We value the freedom to make choices regarding how we spend our income, where we choose to work and live, etc. Union restrictions on entry reduce the range of choices open to us regarding where we choose to live and work. These restrictions not only distort labor markets; they restrict the range of choices open to employees and employers to enter into labor contracts. Mandatory union dues not only reduce the disposable income available to workers, they also infringe on the freedom of contract for dissenting workers. We cannot measure these intangible dimensions of negative freedom, but we should not discount the role they play in influencing the choices that individuals make, and their perceptions of well being. We expect a more ubiquitous exercise of coercion over a wider range of choices, with a corresponding diminution in individual well being, in forced-unionism states compared to Right to Work states.

ⁱ "World Report: Is Mississippi Richer than New York?" First Chicago Bank, Chicago, IL, 1977; and James T. Bennett, "Does a Higher Wage Really Mean that You Are Better Off?" National Institute of Labor Relations Research, Springfield, VA, 1985.

ⁱⁱ James T. Bennett, "Right to Work—Prescription for Prosperity and Opportunity," National Institute for Labor Relations Research, Springfield, VA, 2000.

ⁱⁱⁱ David Savageau and Ralph D'Agostino, *Places Rated Almanac*, IDG Books, Foster City, CA, 2000.

^{iv} Bert Sperling and Peter Sander, *Cities Ranked and Rated*, Wiley Publishing, Inc. Hoboken, N.J., 2004.

^v Savageau and D'Agostino, *Places Rated Almanac*, p. 42.

^{vi} Sperling and Sander, p. xi.

^{vii} Amartya Sen, *Commodities and Capabilities*, North Holland, Amsterdam, 1985.

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* * *

Nothing here is to be construed as an attempt to aid or hinder the passage of any bill before Congress.



September 8, 2005

The Honorable Marilyn Musgrave
Subcommittee on Workforce, Empowerment and Government Programs
U.S. House of Representatives
Washington, DC 20515

Dear Chairwoman Musgrave:

On behalf of Associated Builders and Contractors (ABC) and our more than 23,000 contractors, subcontractors, material suppliers and construction related firms, I am writing to express our support for H.R. 500, "The National Right to Work Act," which protects the right of an employee to choose whether or not to form, join or assist labor unions.

ABC was founded on a belief that American workers best succeed in an environment that encourages full and open competition, without regard to labor affiliations on any kind. This free enterprise philosophy is the basis of the National Right to Work Act as it attempts to protect the right of workers to decide whether or not they will join or financially support a union. Simply put, by amending the National Labor Relations Act, this legislation would outlaw the concept of obligatory union financial support as a condition of employment.

Currently 22 states have Right to Work statutes in place, and there is burgeoning evidence that these states are enjoying greater economic and employment growth than that of their non-Right to Work counterparts. In a recent study of the effect of Right to Work Laws on economic development, The Mackinac Center for Public Policy concluded that "Right-to-work laws increase labor productivity by requiring labor unions to earn the support of each worker, since workers are able to decide for themselves whether or not to pay dues." By encouraging greater accountability among labor unions and empowering workers to decide whether or not pay union dues, this legislation not only protects worker's rights, but also promises improved economic performance through greater productivity.

ABC commends the Small Business Committee Subcommittee on Workforce, Empowerment and Government Programs for holding a hearing on this important issue and we urge all members of the subcommittee to support this legislation.

Sincerely,

William B. Spencer

William B. Spencer
Vice President, Government Affairs

cc: Members, House Committee on Small Business Subcommittee on Workforce, Empowerment and Government Programs